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Arms Purchase From China, Partial Payment in Rice, Wood

91SE0148A Bangkok *THE NATION* in English
11 Feb 91 p 5

[Article by Jeremy Wagstaff]

[Text] Burma has agreed to buy arms worth nearly \$1 billion from China, one of the few countries to maintain close ties with Rangoon's army government, diplomats said at the weekend.

They said the two countries signed a long-term deal late last year for equipment ranging from jet fighters to small arms. Burma would repay at least half the \$900 million debt in rice and wood.

"This deal takes Burma into the space-age. It completely refurbishes their armed forces," one diplomat said.

Since taking power two years ago the ruling army council has faced an almost total block on Western and Japanese aid.

Governments accused it of killing more than 1,000 protesters when it crushed a major uprising in 1988 and say thousands more dissidents have been jailed since.

To secure income Rangoon has tried to improve relations with neighbours China and Thailand. It has also launched intensive dry season offensives to dislodge ethnic rebels along its borders with those countries.

Diplomats said Beijing was one of the few governments to forge closer ties with Rangoon since the uprising. There has been a steady stream of delegations between the two capitals.

In the last year China has given aid for infrastructural projects including a huge bridge across the Rangoon River and a satellite earth station. Cross border trade has transformed sleepy towns in northern Burma into rich commercial centres.

"China now trades practically everything with Burma so it is logical to trade arms," said one diplomat.

Rangoon-based diplomats said helicopters and gunboats had already arrived. A consignment of F-6 and F-7 jet fighters was waiting to be sent as pilots were still being trained in Beijing, one said.

Despite dominating Burma's annual budget the armed forces still rely on weapons bought in the 1960s. The air force is built around Swiss-built Pilatus turboprop training aircraft. It also has about 30 helicopters supplied by the United States to fight drug trafficking, diplomats said.

Diplomats in Rangoon feared the weapons might be used to quell any repeat of 1988's civilian protests besides continuing assaults on ethnic rebels. There has been no word of the deal in the official media.

Karen insurgents on Burma's eastern border recently said they feared Rangoon had chemical weapons as well as jet fighters, but that neither had been used against them. Diplomats said there was no evidence the Chinese had supplied any chemical weapons.

Burma has already begun shipping tens of thousands of tonnes of logs from Shan state into China's Yunnan province, others said. They added Rangoon's hard currency reserves, which may be as low as \$100 million, had been seriously depleted in the past year.

"Maybe as much as \$400 million has gone since last February. No-one has given a credible explanation as to where," said one Rangoon-based diplomat. "The assumption is that it is being used to buy arms."

- AGENCE FRANCE-PRESSE adds: The Burmese army destroyed over 300 acres (120 hectares) of opium poppy fields in northeastern Burma last month, state-run Radio Rangoon said on Saturday.

The army destroyed the fields in cooperation with local police and civilians between 13-25 January in Shan state.

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

Correspondent Reports Conditions, Leadership Comments at Melai

91SE0150A Bangkok THE NATION in English
2 Feb 91 p A4

[Suthin Wannabovorn of Reuters talks to the Khmer Rouge who have decided to settle around Melai in Cambodia near the Thai border]

[Text] The Khmer Rouge here say they have no use for the concrete and steel tunnels and bunkers left behind by the Vietnamese.

Now their war is against land-mines, malaria and hunger.

"The tunnel bunkers are of no use for us because the nearest fighting is some 60 km (40 miles) from here," a young Khmer Rouge cadre, Eing Neit, said as she led a visitor through the fort left behind by the Vietnamese in November 1989.

The radical Khmer Rouge, who claim to control a third of the Cambodian countryside, moved into Melai, just across the Thai border, after the Vietnamese withdrawal. They established villages in the area.

Some 35,000 people under Khmer Rouge rule were moved from camps inside Thailand to this zone at the beginning of 1990.

"When we decided to move our people from Thailand to our liberated zone we allowed them to choose the areas they like," said Chum Buni, chairman of Melai's administration team. "More than half of them went up to areas north of Sisophon, others to Dangrek areas and Phnom Chat."

More than 8,000 people chose to settle in the eight communes around Melai, said Chum Buni, a former field commander who lost a leg to a land-mine a few months ago.

To provide security for the villagers 15 soldiers are posted at each commune.

Since then more people have arrived from the United Nations-run camp called Site Eight in Thailand and from inside Cambodia.

At least 60 people have lost limbs to land-mines and 1,000 were infected with malaria in the rainy season.

There is little the few people who work at the 50-bed field hospital can do.

"At this stage medical assistance is what we need from the outside world," a doctor at the field hospital said.

The Christian and Missionary Alliance (Cama), a Western group, has provided some medical aid and promised more, she said.

A United Nations medical team was sent from Site Eight to vaccinate the children of one village last month.

The threat from land-mines has lessened since the Khmer Rouge brought in a metal detector from Thailand, Chum Buni said.

Farming is primitive and in the dry season there is not enough water to cultivate crops.

"Any assistance from the outside world, especially from the UN relief agencies, is most welcome," said Long Norin, a senior Khmer Rouge administrator.

He denied reports the Khmer Rouge, who have been held responsible for the deaths of a million Cambodians when they ran the country in the late 1970s, had been forcing people to live under their rule.

"How can we force them to live here," he said. "There is no fence in this area. People can move freely. We have invited UN officials to visit us if they want to see the living conditions but so far there is still no response from them."

Along the 20 km (12 miles) of dirt road that leads south to Melai from Highway Number Five, hundreds of new houses can be seen. Piles of hardwood lie on the side of the road for the building of permanent dwellings.

These would allow people to settle and stay even if a peace settlement is reached between the guerrilla factions, including the Khmer Rouge, and the government in Phnom Penh, the Khmer Rouge administrator said.

"They have more advantages living here than further inside because they can sell their products to Thailand," Long Norin said.

"My opinion is the fighting will continue and we cannot foresee for how long it will last," Chum Buni said.

Some of the villagers earn some cash by making furniture from hardwood to sell at the Thai village over the border.

"This is our land so we are more free to do what we want to do here," said Keh Sorn, a 56-year-old carpenter.

The administration team has built two schools.

"Education assistance is also needed, but the need is not as big as medical assistance," Eing Niet said.

"On my wedding day, my only wish is to lead a happy life with my husband and settle down peacefully here," said a young bride, Haun Niert.

STATE OF CAMBODIA

Column Discusses Areas of Concern in Phnom Penh

91SE0151C Bangkok THE NATION in English
6 Feb 91 p A8

[From the "Think Khmer" column by Kawee Chongkittawon: "Raking Profits From the Gulf War"]

[Excerpts] Price Hike

Due to the inflation, the price of basic commodities in Phnom Penh continue to rise. As of last week, a price of one egg is 35 riels or about Btl .50. A kilogramme of beef is about 700 riels. The prices of other commodities have at least doubled or tripled since six months ago.

The exchange rate of the riel has been somewhat stable in the past week at 635 riels for one U.S. dollar, and 25 riels for one baht. The official rate is about 600 riels for a U.S. dollar. The National Bank of Cambodia is trying to stabilize the riel currency using various measures including the control of foreign exchange leaving the country and heavily taxing the import of gold.

Foreign Journalists

Soon the Japanese correspondents will comprise the largest press corps in Phnom Penh. The Foreign Ministry's Press Department has also accredited two more Japanese newspapers, the YOMIURI SHIMBUN and ASAHI SHIMBUN in addition to THE NATION, AGENCE FRANCE PRESSE, NIHON DENPA NEWS.

Phnom Penh's acquiescence came immediately after Hanoi's decision recently to allow the ASAHI SHIMBUN and Japan's NHK to open their bureaus in Vietnam's capital. Presently, THE NATION, AGENCE FRANCE PRESSE, FAR EASTERN ECONOMIC REVIEW, REUTER and KYODO NEWS AGENCY are represented in Hanoi.

Analysts said the move showed the keen interest of both Cambodia and Vietnam to attract Japan's participation in their future economic reconstruction. Japan has pledged to give economic assistance to develop the economy of Indochina after the settlement of the Cambodian problem.

Stringent Checks

Vietnam has stepped up its customs' checks at the Cambodian-Vietnamese border in an effort to stem out smuggling along the popular route. People passing through between Moc Bai in Vietnam and Bavet in Cambodia are stuck for hours at the border checkpoint.

Traders normally use the Moc Bai-Bavet route to smuggle anything from foreign cigarettes and toilet paper to Mercedes Benz cars and moped Hondas into Vietnam. Hanoi however is determined to eradicate the smuggling syndicates.

News of Vietnam's stringent custom checks have sent shivers down the spines of many Phnom Penh-based traders. One immediate effect of the stringent checks is the fall in prices of cars and motorcycles—the two most desirable items for smugglers.

Viva Mercedes

How many models of Mercedes Benz 230 are in Phnom Penh today? A car dealer put it at about 150. At least 24 of them are Thai traders, who frequent Cambodia. Each 230 costs a little less than U.S.\$62,000 here in Phnom Penh. The price of a similar model in Bangkok would cost three times as much.

At the end of 1989, an official working for the Phnom Penh municipality estimated there were 700 private cars in the capital city. Now, the same official said the number has at least doubled. One indication was the number of car accident victims admitted to the hospital. In the past, bicycles were the most popular mode of transportation. Now, it's motorbikes and cars that dominate the thoroughfare of Acharn Mean.

Sino-Khmer Citizens' Association Profiled

91SE0151B Bangkok THE NATION in English
5 Feb 91 p A5

[Article by Kawee Chongkittawon: "Khmer-Chinese Get a Surprise New Year Gift"; first paragraph is THE NATION introduction.]

[Excerpts] Phnom Penh authorities, in a surprise move, have given permission to Cambodian-Chinese to celebrate Lunar New Year this year. Kavi Chongkittavorn reports.

For the first time since 1979, Cambodian-Chinese here will celebrate the coming Lunar New Year with traditional style and fanfare.

The lion dance and other traditional festivities on the 15 February Chinese New Year are being organized by the newly-established Association of Overseas Chinese in Cambodia.

"We have received permission from the government to carry out our tradition in full gear," said Tao Leang Srin, the association's chairman.

Tao heads the association's 11-member committee, which was set up four weeks ago. Though it represents overseas Chinese in Cambodia, the association is under the umbrella of the "National Council of the United Front for Construction and Defence of the Kampuchean Fatherland."

Tao is a second generation overseas Chinese, born and raised in Cambodia. He can speak some Tae-chew, the dialect of the southern Chinese group which has the largest number among the Chinese here.

The permission to set up overseas Chinese association has come as a surprise to many Chinese residents.

"The government is very generous and now thinks that the Chinese community needs an organization to represent them," said Nhim Phuong, the vice-chairman.

Nhim said that at present the government has a clear idea of the role the Chinese community can play in the economic and social development of Cambodia in the future.

"In that sense, it was a big departure as far as the government's policy toward overseas Chinese was concerned," he said.

Since the association was formed, there have been regular consultations between the government and representatives of the association's committee.

After years of government efforts to improve the living standard of the Cambodian people and rebuild the war-torn country, Chinese residents feel that the government is now finally giving them some attention.

Tao and Nhim said that all the Chinese suffered from the atrocities and horror during the Khmer Rouge's reign between 1975 and 1978, when they were forced to leave Phnom Penh to work in the countryside.

According to Tao, this was why the Chinese community here responded so well to the Front's overture late last year for an organization to be established to mobilize the Chinese in Cambodia's reconstruction.

Within days, the Chinese community here got together and submitted the names of about 30 leading figures, mostly involved in business in Phnom Penh, to the Front for consideration last December.

"The Front picked up 11 names including myself as chairman," said Tao, 51, who owns a nail-making factory in a suburb of the capital. On 24 December last year, the association was born.

According to him, the last registration of the Chinese was done in 1969. Tao put the number of overseas Chinese at 420,000. During the Khmer Rouge's reign, almost one-third of them were killed and another third fled the country. The remaining one third of about 100,000 managed to survive in Cambodia, he said.

Graft, Donor Awards, Leadership Profiles

91SE0151A Bangkok THE NATION in English
11 Feb 91 p A8

[From the "Think Khmer" column by Kawee Chongkit-tawon]

[Excerpts] Graft Crackdown

In the past few months, several officials in the provinces, especially in Monduliri and Takeo, were removed and

arrested as part of the effort of the People's Revolutionary Party of Kampuchea to weed out the so-called "negative elements."

In the communique issued last September, the party said: "We have thus wasted much manpower, raw material, fuel, drinking-water, electricity, time and money. The Party and State have also observed that if we did not take timely measures to redress the situation, it would be dangerous to the life of our nation, people and revolution."

According to the ruling party, corruption is in the form of graft, blackmail, smuggling tax evasion and stealing from state property. As a result, Ly Son, secretary to the Party Committee of Monduliri province and his deputy Chan Yoeun were dismissed and placed under the "control" of the government for further investigation. Ly Son was replaced by Rath Sarem.

In Takeo province, Im On, deputy head of the People's Committee and Sun Sakhan, head of the Provincial People's Committee, were dismissed and arrested. In Kompong Speu, Samrueth Sakhan, head of the Provincial People's Committee, faced a similar charge.

Although major reshuffles took place in the provinces, the focus however was on the dismissal of Trade Minister Taing Sarim and Phnom Penh Mayor He Kan. Sarim will soon retire but He Kan is currently under investigation for corruption charges.

At least 40 officials have been either dismissed or transferred since the government began "its vigorous struggle against corruption" last August.

Money Incentives

The Council of Ministers will award the National Construction medal to any Cambodian or Cambodian group at home or abroad that makes substantial financial contributions towards the reconstruction of Cambodia.

The medal comes in three classes. The first-class medal will be conferred to any person who donates more than two million riels, the second-class medal for those who give more than one million but less than two million riels and the third-class medal for donation of at least 500,000 riels.

Say Phouthong

The fourth ranking politburo member, Say Phouthong, started work last month, after months of recuperation from a gall bladder operation. He is in good health and in high spirits—and continues to smoke as usual.

Say is politburo member of the People's Revolutionary Party of Kampuchea, vice present of the State Council and president of the Party Control Commission.

When he was ill early last year, some senior Thai military officials tried to persuade him to come to Thailand for medical care. Say decided to go to Hanoi instead.

Ministry Changes

One week before the newly appointed Foreign Minister Hor Namhong left for Paris for a meeting of the Supreme National Council, he met with all the staff of the Foreign Ministry to give a briefing of the guidelines of government policy and his style of work. A common compliment from his subordinates is, "He is very serious and very knowledgeable."

Hor Namhong did some reorganization within the ministry.

The foreign ministry's various departments are divided according to geographical locations. The Department of USSR no longer exists.

Now the Soviet Union is part of the Europe Department. The Indochinese countries come under Asia Department. There are separate departments for the Oceania and Australia, the U.S. Latin America and Africa.

There is a new department of international cooperation, which will handle the future economic ties with countries that recognize the Phnom Penh government.

Two new vice foreign ministers have been appointed: Phi Tach and Sek Setha. The first Vice Foreign Minister Dith Munty was transferred to serve as chief of the Party's Propaganda and Education Commission. Diplomats in Phnom Penh said that Munty's new position is a powerful one and he is now in a position to improve the party's image in the international community.

POLITICAL

Security Problems Rooted in Economic Disparity*91SE0147A Jakarta KOMPAS in Indonesian 5 Feb 91 pp 1, 5*

[Text] Jakarta (KOMPAS)—Indonesia will not tolerate extensions of foreign terrorism. If terrorism occurs in Indonesia, it will be brought to an end by Indonesian means and methods. PANGAB [Armed Forces Commander] General Try Sutrisno said this in a working meeting with DPR [Parliament] Commission I in Jakarta on Monday [4 February]. "We refuse to have foreign-inspired terrorism. Indonesia remains stable and secure," the PANGAB added.

After the meeting, the PANGAB told reporters that the Indonesian means and methods he mentioned do not require great shows of force but resolve the problem nevertheless. "'Slow but sure'—no, that's a mistake—rather, 'low profile.' If we say 'slow,' people will think we mean 'delay' and will belittle us. We mean 'low profile but sure.' 'Not merely threats, but sure,'" he declared.

Gen. Try Sutrisno noted that several incidents of piracy in Indonesia have been resolved satisfactorily. "You remember the Merpati and Woyla incidents, don't you? They were settled quickly. Indonesia will not compromise in such cases," he said.

Fed Up

Speaking about the Gulf War, the PANGAB said everyone is worried, not only about the use of chemical weapons, but about conventional weapons as well. "Because we want to create world peace, we are disturbed when there is war; and the more so if chemical and other weapons are used," he added.

The PANGAB said he believes that both the multinational and Iraqi forces are seeking a point of agreement on peace. Because both sides have deployed their war machines in such a rapid and terrifying way, there has to be a point when they weary of it. "Of course, both sides have to be fed up if peace efforts are to be successful. What will accomplish this is flexible diplomacy that can accommodate all interests," Gen. Try continued.

The PANGAB rejected the view that Indonesia is not trying hard enough to bring an end to the Gulf War. He said, "It is important to note that Pak Alex (Foreign Minister Ali Alatas) is continuing his interaction with others at the United Nations, Pak Harto [President Suharto] is giving much thought to it, and we still have status in the Nonaligned Nations Movement and other organizations."

"It is not our way as a nation to act conspicuously. We Indonesians have our own character. We have our own direction, our own principles. So, don't think we are not trying, for, whatever the effect of the Gulf War, it will not be good for Indonesia at all," he continued.

Disparities in Society

In the working meeting with DPR Commission I, the PANGAB explained that national stability and domestic security issues are generally related to socioeconomic and sociopolitical problems. Security disturbances usually spring from troubles and disparities felt by the people.

Ultimately, these produce unrest and develop into tension and social flare-ups. In the end, armed security disruptions occur. The Aceh case, for example, is not merely a security problem but is related to local social conditions as well.

Security is now quite stable and under control, but this does not mean absence of troubles rooted in disparity. "It is not easy to resolve existing disparities, because management of national development is a complex issue, while community material and spiritual needs continue to grow," the PANGAB explained.

Putting down security disruptions is not pleasant; it is truly painful. "We are facing our own brothers and families," he added. The best way is to find the root causes of disparity. Otherwise, we must restrain disruptive activity and channel it into positive and productive action.

Muslim Youth Free To Choose Party in Next Election*91SE0155B Jakarta SUARA KARYA in Indonesian 30 Jan 91 p 3*

[Text] Jakarta (SUARA KARYA)—The more than 7 million members of Indonesian Muslim Youth [PMI] are no longer bound to one of the sociopolitical forces and are therefore free to channel their political aspirations through any of the three forces. PMI General Chairman Drs. Sjaiful Anwar said this on Tuesday [29 January] after he and PMI Executive Council members had called on Vice President Sudharmono at South Freedom Palace.

He said that before the enactment of Law No. 8 of 1985, PMI members were affiliated with the Development Unity Party [PPP]. In the 1992 election, however, they will be free to choose the PPP, PDI [Indonesian Democratic Party], or GOLKAR [Functional Group], said Sjaiful Anwar, who acknowledged being a GOLKAR cadre.

"Although I am a GOLKAR cadre, PMI members are free to choose; but clearly they cannot be 'white group' [i.e., nonvoters]," he said.

PMI, which was formed in 1928, has 25 branch executive councils in 25 provinces; and Bali and East Timor are soon to be represented, too. The PMI Executive Council is to begin a reregistration in April, which may increase its membership.

Explaining the PMI position on the Gulf War, Sjaiful Anwar said that before "H Day" 14 youth organizations, including PMI, had urged that war be avoided. With the outbreak of the war, however, PMI as a member of the Islamic community is distressed, for it is difficult to determine who is right and who is wrong. "The important point is that whoever dares to bring about peace has the highest humanitarian values and great religious piety. They should look at this standard rather than both remain obstinate. Self-control is needed," Sjaiful Anwar said.

He had reported to the vice president on the results of the 12th Plenary Conference. The conference chose new PMI leaders, drew up a work program, and drafted a new constitution and bylaws, which returned the organization to its independence. In accordance with Law No. 8 of 1985, PMI is no longer affiliated with a political party.

"Thus, PMI is now truly independent. This does not mean 'white group,' however, for its members are determined to avoid that. Political aspirations are left to each member as an individual, however. Because the political orientation of PMI is to tangible work, it will conduct tours to promote development through both words and deeds," Sjaiful Anwar said.

He had also reported to the vice president on PMI plans to build a Muslim Youth Research and Development Center at Parung, Bogor, to train Muslim scholars and intellectuals. The center, which will be located on 1.5 hectares of land and cost 4 billion rupiah, will have a capacity of 1,000 people.

MILITARY

ABRI Says No Military Intellectual Group Wanted

91SE0125A Jakarta ANGKATAN BERSENJATA
in Indonesian 28 Jan 91 p 7

[Text] Bandung (ANGKATAN BERSENJATA)—WAKASAD [Deputy Chief of Army Staff] Lieutenant General A. Sahala Rajagukguk said that, because officers are "practitioners," ABRI [Armed Forces of the Republic of Indonesia] and the Army do not want to set up a group of officers to be scholars and intellectuals carried away with development of theories. He made this statement on Saturday [26 January] as he closed the first Army Senior Staff Course at the Bandung SESKOAD [Army Staff and Command School].

The thinking of Army officers must be devoted to organizational management and development and to matters that contribute to the success of their main duties. They must also help the government and the community to solve the various national problems, he said.

As an institution, the Army has produced many valuable strategic concepts for the nation, ABRI, and the Army.

As its most recent contribution, the Army used the seminar to explore strategy for the Second Long-Term Development Phase.

"We must not merely be proud of our past successes, for we now need valid concepts on the conduct of land defense," the WAKASAD declared.

He said the Army feels that quality personnel, particularly officers who possess analytic minds and strategic viewpoints, are becoming rarer.

He said the Army feels the situation even more keenly when it considers the challenge of strategic development, advances in science and technology, and the roles of officers as prime movers in reaching organizational objectives.

In order to face issues that are more and more complex in both intensity and substance, it is essential to develop Army officers who can anticipate problems still far in the future and who can broadly and comprehensively adapt themselves to every kind of problem.

It is hoped that this senior staff course will produce officers who are thinkers and who function as military and social leaders competent in the science and art of land defense and in cultivation of a strategic viewpoint toward ABRI sociopolitical affairs.

Routine

Sahala said it is not beneficial that officers often are so glued to their routine duties that they are unable to see their work clearly in the overall context.

"Such conditions often cause officers to be people who are not accustomed to thinking or to developing the strategic viewpoint so needed for organizational development," he said. He asked each leadership element and senior officer to create a climate conducive to development of thought, creativity, and initiative on the part of subordinates.

Besides being thinkers, he said, officers are challenged to become designers capable of expressing every thought tangibly.

In this way, the WAKASAD said, every senior officer will be able to free himself from routine things and apply his thoughts to strategic issues, to coordination of complex staff work, and to producing strategic concepts.

On the same occasion, the WAKASAD, who was accompanied by the commandant of the Bandung SESKOAD, Major General Feisal Tanjung, presented certificates of appreciation and "Virajati" awards to Colonel (Infantry) Suwarno Adiwidjojo of KODAM [Military Region Command] IV/Diponegoro as the best graduate and to Colonel (Infantry) Zainuddin A.G. of the Bandung SESKOAD as the author of the best paper.

He announced that all 30 of the students, most of whom held the rank of colonel, passed the four-month course.

ECONOMIC

Malaysian, Thai Trade Cooperation Encouraged*91SE0146D Jakarta MERDEKA in Indonesian
5 Feb 91 p 8*

[Text] Medan, 4 Feb (ANTARA)—Minister of Trade Arifin Siregar hopes that ASEAN [Association of South-east Asian Nations] cooperation in the twin cities of Medan and Pinang will produce a new three-way trade pattern among North Sumatra, Northern Malaysia, and Southern Thailand.

"We hope this three-way cooperation will create a center of trade for Western Indonesia and for this region," Arifin Siregar said in Medan on Friday [1 February] when he opened the 20th North Sumatra Trade Fair (PRSU), which is to last until 3 March.

The minister said each component of the business world, namely the private sector, cooperatives, and BUMN's [state-owned business enterprises], has its own special features. Therefore, the cooperation that exists now must be expanded to find new forms of cooperation, both domestic and foreign.

As a medium of economic information and promotion, particularly in the industrial, tourism, and trade sectors, the PRSU should also be a place for exchanging experience in business development and establishment of trade ties. Such activities can create the desired three-way trade.

The minister began his talk by saying North Sumatra's success in expanding production and exporting hundreds of commodities should not cause the business world to be satisfied and thus disregard the developments and changes occurring in domestic and foreign markets.

Changes in international markets have taken place quickly, and many countries are trying to reduce their dependence on imports by increasing their own production, he said.

According to the minister, these countries are also using existing opportunities on international markets to make their products more competitive.

"The situation has become complex because of trends toward regional economic blocs and protectionist policies, through which some countries protect their own domestic industries," he said.

The minister also said that conditions in some industrialized countries are moving toward stagnation or recession, which means reduced demand in those nations for goods and services from other countries, including Indonesia's products and commodities.

"A situation that has added to the problems of overseas marketing is the Gulf War, which directly affects Indonesian exports to the Middle East, especially to Iraq and the other Gulf states," he continued.

He noted that dealing with these varied conditions requires an ability to anticipate rapidly and accurately changes in international markets, so that existing opportunities can be used. Competitive prices and quality must also receive attention.

H.A.S. Rangkutty, chairman of the PRSU Foundation, said there are 128 participants and 200 observers in the 20th PRSU, which is an improvement over the 98 participants and 150 observers in last year's PRSU.

Trade Minister Cites Problems for Nonoil Exports*91SE0146B Jakarta KOMPAS in Indonesian 6 Feb 91
p 2*

[Excerpt] Jakarta (KOMPAS)—Indonesian nonoil exports to the Middle East are expected to decline drastically in 1991 because of the Gulf War, which began on 17 January. Revenues from nonoil exports to that region in 1990 are expected to reach only \$800-850 million instead of the targeted \$950 million.

Junior Minister of Trade Dr. J. Soedradjad Djiwandono, who was accompanied by first echelon officials of the Department of Trade, said this on Tuesday [5 February] in a working meeting with DPR [Parliament] Commission VII in Jakarta. Commission VII was led by Syaiful Anwar Husein of the Development Unity Faction (F-PP).

The value of nonoil exports in 1991-92 is projected to be \$18.784 billion, an increase of 17.8 percent over the current year (1990-91). This projection is considered quite realistic, since there are several hopeful aspects, like higher prices for fresh and frozen shrimp, tobacco, cacao, fish, and vegetables.

Exports of some manufactured goods also rose convincingly between January and September 1990. Textile exports rose 49 percent over the same period in the previous year; volatile oils, 118 percent; electrical equipment, 45 percent; paper and paper products, 129 percent; and furniture and footstools, both 48 percent.

Copra and Rattan

According to the junior minister, several overseas developments other than the Gulf War will have direct or indirect effect on opportunities for expanding exports. Besides some hopeful factors, there are also matters that need attention. These include growing indications of protectionism and regionalism, which are moving toward the formation of trade blocs.

In yesterday's meeting, DPR members spotlighted copra trade procedures, exports of partially finished rattan products, and the cloves problem that is hurting farmer livelihoods.

M.H. Husni Thamrin Assaat, DPR Commission VII member from the F-KP [GOLKAR Faction], urged that the minister of trade immediately reconsider the ban on exports of partially finished rattan products, which has

caused the price of rattan to decline sharply during the last two years. As a result, rattan growers and harvesters throughout Kalimantan are now without work and have lost their livelihoods.

No less than four Kalimantan governors, plus PANGDAM VI [Commander of Sixth Military Region]/Tanjungpura, have officially recommended to the government that the ban on partially finished rattan products be reconsidered because of the suffering it is inflicting on rattan growers. [passage omitted]

Chamber of Commerce Calls Nonoil Export Targets Too High

91SE0146C Jakarta *BISNIS INDONESIA*
in Indonesian 1 Feb 91 p 2

[Text] Jakarta (BISNIS)—The Indonesian KADIN [Chamber of Commerce and Industry] believes the projected nonoil export target of \$18.8 billion, an 18 percent increase, for 1991-92 is too high.

KADIN General Chairman Sotion Ardjanggi said yesterday in a hearing with the DPR [Parliament] APBN [National Budget] Commission that the KADIN view is based on the existence of several obstacles, such as international factors that cannot be controlled.

These factors, Sotion said, encompass matters such as the "soft," limited economic recession in the United States and Canada during the second half of last year.

If conditions in the United States and Canada in the first semester of 1991 remain as they were at the end of the year, Sotion said, the United States will experience a true recession. A U.S. recession will involve primarily the banking sector, which has a close relationship with the construction sector. "Our plywood and wood products exports are certain to feel the impact," Sotion stated.

In addition, he said, we also depend on Indonesian exports of textiles and finished clothing to the United States. Thus these two types of commodities will feel the impact of the recession. Furthermore, the prices of our primary agricultural products, such as rubber, and our mining products have long been on a decline.

The Indonesian KADIN chairman said that the crisis in Eastern Europe and the Gulf War will make it difficult for Indonesia to depend on the European Common Market in 1992. "Costs of shipping and insurance have risen because of high risks, which will add to the European market's inability to handle our exports," Sotion explained.

Rosita S. Noer, chairman of the Indonesian KADIN's Compartment for Promotion of Informal Industry, said that because of the outbreak of the Gulf War export shipping costs to Europe have risen by \$300 per container and by \$600 per container to the Middle East.

According to the Indonesian KADIN, the impact of the Gulf War and the East European crisis will be felt throughout 1991.

In the meeting, which was lead by Deputy APBN Commission Chairman Aberson Marle Sihalohe, the KADIN general chairman said also that because of the Gulf War prospects for Indonesia's markets in the Middle East, which earlier were quite hopeful and reached \$900 million, have now become dim.

"Thus, markets in the United States, Western Europe, Eastern Europe, and the Middle East no longer hold out hope that our nonoil exports will be as they were last year," Sotion declared.

The markets that KADIN says can still be depended on include East Asia, Japan, and newly industrialized countries like Korea, Taiwan, Hong Kong, and Singapore.

Therefore, the Indonesian KADIN recommends that Indonesia continue to increase its exports to markets that can still be depended on and to add other export markets, such as the PRC, Vietnam, the Soviet Union, North African countries, and other developing nations.

The Indonesian KADIN said it is true that, as the minister of industry stated, domestic and foreign investments in the export industry sector have expanded our installed capacity.

However, the KADIN general chairman stated, the effect of this greater installed capacity will depend on whether it will find a place in the face of declining world demand. "At the same time, we are encountering various external obstacles and hindrances," Sotion said.

According to the KADIN, these conditions naturally add to the hurdles Indonesia faces in reaching its projected target.

The KADIN general chairman pointed out that if Indonesia's exports are viewed from the aspect of international competitiveness, which involves quality and price, the competitiveness of our exports can still be improved.

SOCIAL

Unemployment Analyzed, Remedies Proposed

91SE0144A Jakarta *BISNIS INDONESIA*
in Indonesian 5 Feb 91 p 6

[Article by Mursyidi Prihantono, chief of research and development for Amik-Aster, Yogyakarta: "Analysis of Jobs and Unemployment in Indonesia"]

[Text] As we enter the second 25-year national development phase next year, Indonesia will face a great variety of big problems. One of the problems we must confront is the complex issue of manpower.

There will be about 26 million people who need jobs, and their needs must be handled in an organized and comprehensive way. Handling their needs will be of pressing

importance; otherwise, a number of social and political troubles will emerge.

Since REPELITA II [Second five-Year Development Plan], the most complex of manpower problems has arisen, namely steadily rising unemployment among people of various educational levels.

By REPELITA IV, there were 2.5 people who could not find jobs, and 2.4 million more people entered the labor force in REPELITA V.

The question arises, has the time come for Indonesia to pursue an economic policy that puts jobs as the main objective? The answer is yes, because unemployment has now mushroomed out of control.

This article looks at 1990 employment and unemployment figures for a number of age groups. It also seeks the causes of unemployment and observes trends for the future. It then proposes some anticipatory actions that could be taken by both the government and the private sector to solve the problem.

Scenarios

According to Aris Ananta and his colleagues at the University of Indonesia [UI], the projection of unemployment in Indonesia involves two scenarios. The first scenario assumes that the 1990 visible unemployment rates for each age group will remain the same as they were in 1980. The second scenario assumes the rates will be the same as they were in 1985.

Under the first scenario, projected 1990 unemployment is 1,205,200, whereas under the second scenario the number of unemployed is 1,608,100.

Visible unemployment in Indonesia in 1980 was 896,101, and in 1985 it was 1,368,477.

From these projections, it can be seen that the rates of unemployment do not change much from year to year, but in absolute figures unemployment continues to rise.

Tables made by a team from the UI Demographic Institute show that under the first scenario the number of unemployed is smaller than in 1985, but the number is greater under the second scenario.

The second scenario, which projects greater unemployment than in 1985, appears more acceptable and closer to reality. See table.

Projected 1990 Visible Unemployment by Age Group (Scenario 2)

Age Group	Unemployment Rate (%)	Labor Force (thousands)	Unemployed (thousands)
10-14	1.47	2,032.5	29.9
15-19	5.04	7,094.5	357.4
20-24	8.19	10,001.6	819.1
25-34	1.56	19,215.4	300.0

Projected 1990 Visible Unemployment by Age Group (Scenario 2) (Continued)

Age Group	Unemployment Rate (%)	Labor Force (thousands)	Unemployed (thousands)
35-44	0.34	14,699.5	50.5
45-54	0.27	10,683.5	28.4
55-64	0.29	6,088.2	17.9
65+	0.19	2,600.0	4.9
Total			1,608.4

It can be seen from the table that the largest number of unemployed—those who are not working but are actively seeking jobs—is in the 20-24 age group.

The reason is that this group includes many high school graduates just entering the job market, for either economic or psychological reasons.

After graduating, they throng to the job market, but their skills are very inadequate. Employers want manpower skilled enough to be put to work.

This situation has produced "demand deficiency unemployment," which means excess supply and lack of demand. The result is a waiting line that gets longer year by year.

The largest number of people who have job skills but are temporarily not working, and the largest number of unemployed people who are actively seeking jobs, (i.e., the total number of unemployed) are also in the 25-34 age group.

This is true because this age group includes many people with graduate and undergraduate degrees who are entering the working world for the first time. There are also many mothers who stop working to see to their households, and there are others who are on leave and temporarily not working for a variety of reasons.

Similar to the case of high school graduates, people holding new graduate and undergraduate degrees still have very minimal skills, which means that many of them will not find places among the available jobs. For that reason, this age group is second only to the 20-24 group.

Types of Unemployment

By 1976, visible unemployment had reached 1,152,600. The figure dropped to 868,100 by 1980 but rose again to 1,368,477 by 1985.

In 1990, the total number of visibly unemployed was expected to reach 1,608,400.

The number of underemployed, those who work less than 35 hours per week, reached 19,619,500 by 1976, then declined to 18,319,300 the next year. In 1990, the figure is believed to have risen sharply.

The number of the critically underemployed, those who work less than 14 hours per week, also declined, from 5,236,500 in 1976 to 4,954,600 in 1980. The figure is believed to have risen in 1990.

Most of the unemployed in Indonesia fall into the category of "demand deficiency unemployment." This is evidenced by the frequency with which companies reject applications. It is also demonstrated by the outbursts of enthusiasm with which job applicants try to gain acceptance for certain job openings. Of thousands, even hundreds of thousands, of job applicants, only a few were accepted in one recent case.

In that situation, we can categorize those who were rejected as undesired by employers. In other words, the demand for manpower is much less than the number of people seeking work.

For certain levels—such as professionals in banking, accounting, computers, and technology, and specialists in other uncommon fields—there may be a small amount of frictional unemployment caused by delay in contact between supply and demand.

Normally, this delay is not very long, however. As soon as companies hear that a professional has left a firm, they race to "grab" him. Such professionals who are not working usually are doing so merely because of salary or fringe benefit issues or because they seek more exciting career challenges.

Structural unemployment—unemployment that occurs because openings are for skills not possessed by available manpower, or because job openings are in other geographic locations—also frequently occurs in Indonesia. This is especially true of the second case, in which jobs are located in other geographic areas.

In areas outside Java, there are very many jobs that can be filled by people from Java with relatively little education. These jobs are especially in traditional and other labor-intensive sectors.

1990 Situation

In 1990, the number of Indonesian workers—the difference between the total labor force and the number of unemployed—was 70,807,100. More than half of them (52.95 percent) worked in the agriculture, forestry, and fishery sectors. Most of the others were in big business, retailing, restaurants (17.13 percent), community services (12.68 percent), processing industries (9.4 percent), construction (3.47 percent), transportation (3.42 percent), and other sectors (less than 1 percent).

These figures support the view that our country still tends to be an agrarian one, for most Indonesians depend upon that sector for their livelihood. The road to becoming an industrial society supported by a strong agriculture still appears to be a long one.

Services hold the top position in advanced countries like the United States, West European nations, and Japan.

Service industries absorb the most manpower and supply the most foreign exchange to those countries. The order varies between service, industry, and agriculture and service, agriculture, and industry.

In the table drawn up by Aris Ananta and his colleagues, it can be seen that the greatest number of workers is in the 25-34 age group. This is natural, since this group includes both junior and senior high school graduates who have held jobs for a long time, plus university graduates who have begun to find their niches.

Solution

Theoretically, resolution of the unemployment problem can begin by noting the roots of the problem: low manpower quality as reflected in low educational levels; imbalance between manpower supply and demand; incompatibility between applicants' knowledge and skills and those needed by employers; lack of agreement between workers and managers, companies, and institutions; population growth; limited absorption of manpower by the economy; etc.

This requires thorough, comprehensive, and interdepartmental planning, and takes much time.

Meanwhile, unemployment has become critical and cannot wait. Therefore, we must have two programs with the same objective but with differing features and different lengths of time for implementation.

The first program is a short-term one (a "crash program") in the form of "opening the spigot" to accommodate the already swollen number of unemployed.

The second program is an effort to delay the entrance of people into the labor market while at the same time improving the quality of prospective workers.

The first program can proceed if the government has the "political will," for it will be a "social cost" to companies.

A KEPPRES [presidential decision] or similar ruling must be issued to make the program a success. It must also be a national program, in the sense that it must be supported and promoted by the various departments involved, both in Jakarta and in the provinces.

This program is one of "compelling" private companies as well as state-owned business enterprises to accept quotas of workers they must employ (as apprentices). These worker quotas must be accepted directly without following the standard procedures used by companies. Naturally, such workers must be treated differently from normal employees with respect to both rights and responsibilities.

The objective of this program is to provide work experience and to create a "bridging mechanism" between the educational and the employment worlds. This needs to be done because of the excessive number of secondary school graduates and holders of undergraduate and graduate degrees who have very minimal work experience.

The second program involves extending the schooling of elementary, junior high, and senior high school students by 1 year. Students who do not wish to extend their education to higher levels and want to work immediately will be permitted to take training that emphasizes practical things that will be useful when they take jobs. Those who want to continue their education will be permitted to graduate without going through this practical training. The concept for this second program is still too general and requires further study.

Writer Hails USSR, Criticizes U.S. on Afghan Drug Suppression*91WD0465A Vientiane PASASON in Lao 26 Jan 91 p 2*

[Article under the rubric "Events, Documents, Personnel, Proof" entitled "The Golden Crescent, a Narcotics Production Zone" compiled by Douangdao]

[Text] In recent years efforts have been made throughout the world to suppress the drug trade.

The international drug Mafia has been amassing great wealth from the enormous suffering of drug victims. Now the drug traffickers are switching from competition in the drug trade to openly threatening governments and declaring war on armed forces or infiltrating governments, military organizations, or legal systems.

Each year the countries of the world must spend an enormous amount of money to suppress drug production and trafficking. The "Golden Triangle" used to be very famous as a source of drugs. Actually there still is a source of drugs in the border area between Afghanistan and Pakistan which is called the "Golden Crescent." According to the 1988 reports of the newspaper, MIDDLE EASTERN ECONOMY [SETTHAKIT TAVENOK KANG], the "Golden Crescent" was able to supply 80 percent of the drugs for addicts in Europe and 50 percent for addicts in the United States. The centers for drug production were under the control of the leaders of the Mujahidin (Afghan reactionaries), which is a federation of seven groups. They still are called, the seven drug kings. The members of this group have one goal in common and that is the destruction of that which has been accomplished in building up Afghanistan, however they are rivals for the right to control the opium growing areas, and there have been fights over routes, customers and information sources.

For 10 years, although it has been facing many difficulties, Afghanistan has invested a great deal in drug suppression. In the past five years Afghan officials have been able to seize and destroy 500 kg of various kinds of drugs and seize 40 tons of opium which was sent to the Ministry of Public Health to produce medicine.

Although it has received effective cooperation from the Soviet Union, Afghanistan has had difficulty in suppressing the drug trade because the Mujahidin are still receiving assistance from the United States and groups opposed to the Afghan revolution. For this reason helping to rehabilitate the vast number of people in danger of "heroin death" will face great difficulties. The government of Afghanistan has always stated that it is ready to cooperate with any country or international organization in suppressing the drug trade.

Saravane Official on U.S. War Damage, Reconstruction*91SE0100C Vientiane PASASON in Lao 6 Dec 90 p 2*

[Interview with Sisouvan Vongchomsi, Saravane Province Chief of Party, Administrative Offices, date and place not given]

[Excerpts] Saravane Province is one of the four provinces in the South of Laos. It suffered such heavy war damage that there was almost nothing left. Even the ground was full of bomb craters. The American napalm was cruelly destructive—the people's buildings and houses were burned down. Only two or three buildings were left. A venerated temple was destroyed. In the 15 years since then bombs still buried in the ground have killed the people of Saravane Province each year as they worked to produce.

After the LPDR [Lao People's Democratic Republic] was liberated in 1975, Saravane Province, because of its extensive war damage, became one of the provinces with great difficulties—it did not have an infrastructure remaining as I mentioned above. Because of the difficulties in many areas which were the result of war damage and also because of vigorous enemy attacks, travel was difficult (just traveling to Pakse required sleeping many nights on the way). Living conditions for the people, cadres and soldiers were very difficult. Central authority agreed to balance the budget of Saravane Province for many years. The lack of technical cadres and the many needs of the economic base required solutions.

These were the realities of life in Saravane Province which indicated to the leadership committees of our province that they had to join all their capabilities and develop effective methods to build up Saravane Province. What these methods were was clear later on. By 1986, which was an historic period, there were new ideas throughout society, and the central organization of the party and government adopted policies to reform the economy of our country. [passage omitted] In 1986 Saravane Province was brought into a new era for improvements in the well-being of the people. The first steps included the establishment of trading cooperatives on a broad basis among the people, the adoption of a credit policy to encourage farmers to expand production, the policy of two-way contracts carried out directly with the people producing, the steady introduction of modern equipment into production, the decision to invest in the expansion of roads to assure travel during two seasons in some areas, and the opening of a route from Saravane Province to the outside world. This was done to make it convenient for the people to expand production and transform their nation in peace. The province tried to attract more and more technicians, traders and foreign businessmen to help in developing Saravane Province. This encouraged the multi-ethnic people to have confidence in the leadership of the party and to produce goods vigorously on a broad basis. [passage omitted]

French Medical Aid

91SE0121E Vientiane PASASON in Lao 19 Jan 91 p 1

[Unattributed report: "The Lao-French Organization for Medical Cooperation Presents 248 Textbooks to the Mahosot Hospital"]

[Text] In the morning of 17 January at the Mahosot Hospital the Lao-French Organization for Medical Cooperation presented 248 textbooks concerning medication and written in Lao to the Mahosot Hospital. These were worth more than \$2,000 (U.S.) and will be distributed to various hospitals throughout the country.

In the ceremony for presenting these textbooks, Mr. Thioli-e, the cultural attache from the French Embassy, represented the French-Lao Organization for Medical Cooperation, and Dr. Sommon Phounsavat, the director of the Mahosot Hospital, received the textbooks.

It was also reported that in the past this organization had provided various medical equipment to the Mahosot Hospital worth \$12,564 (U.S.)

Swedish Aid to Bolikhamxai

91SE0121D Vientiane PASASON in Lao 8 Jan 91 p 1

[Unattributed report: "The SIDA Organization Provides a Generator For Bolikhamxai Province"]

[Text] Recently Bolikhamxai Province received one 216 kilowatt generator worth \$55,937.76 U.S. in assistance from the SIDA [Swedish International Development Agency] organization.

This generator is the second which the SIDA organization has provided Bolikhamxai Province.

At present the electrical enterprise of this province is setting up the generator in order to provide sufficient electricity for the people of the provincial municipality.

Burma, PRC Border Area Roadwork

91SE0121C Vientiane PASASON in Lao 20 Dec 90
pp 2, 3

[Unattributed report: "Repairing Roads in Louang Namtha Province"]

[Excerpts] Louang Namtha Province is a mountainous province where transportation is difficult. Even though the two roads which link the provincial municipality with the Chinese border, the road which links the municipality with Myanmar and the road which links the municipality with Bo Keo Province have a total distance of 348.812 km, nevertheless of this total only 138.100 km are paved and can be used in two seasons. The dirt roads, which total a distance of 210.712 km can be used only in the dry season.

By 1990 the surface of many sections of paved highway No. 3 from Na Tia through the provincial municipality

and Sing District to Pang Thong (on the Lao-Chinese border) and of highway No. 1 from the border with Oudomsai Province to Boten (on the Lao-Chinese border) had broken up and developed holes which has caused a great deal of difficulty for transportation. [passage omitted]

During the whole year of 1990 this enterprise has attempted to correct the problem. They repaired the places that were broken up so that vehicles could use it during two seasons. They repaired highway No. 1 from Na Tia to Boten, a distance of 18 km, and helped the Oudomsai Bridge and Highway Constuction and Repair Enterprise on Highway No. 1 between kilometer markers 73 and 75. [passage omitted]

Telecommunications Cooperation With Vietnam

91SE0121G Vientiane PASASON in Lao 15 Jan 91 p 1

[Unattributed report: "Laos and Vietnam: Cooperation in Posts and Telecommunications"]

[Text] On 14 January 1991 at the Posts and Telecommunications Enterprise they organized a training course in this specialty in order to expand on the plan for cooperation between the Posts and Telecommunications Enterprise of the LPDR [Lao People's Democratic Republic] and one center for training posts and telecommunications cadres in the SRV which was signed at the end of 1990.

This training course will last three months. The Vietnamese side has supplied instructors for the social economics of posts and telecommunications, science and control, salaries and social policy, financial activities, accounting, statistics, the organization and supervision of the posts, and the organization and supervision of telecommunications. These courses are to explain the principles and procedures for all activities; the goal is to raise the level of responsibility in posts and telecommunications, especially in business supervision. This includes economic information and research of particular areas of social economics, and planning and economic accountability for cadres heading branches, departments, production centers and for those responsible for statistics and financial planning throughout the country, who should take these courses to advance themselves so that they can do their political duty of serving the nation and society better than before.

Oudomxai Trade With Vietnam

91SE0100F Vientiane PASASON in Lao 3 Jan 91 p 1

[Unattributed report: "The Ha-Oudom Import-Export Enterprise Achieved an Income of 100 Million Kip"]

[Text] According to a report of the administrative committee of the Ha-Oudom import-export enterprise, in the last 11 months this joint enterprise between Ha Nam Ninh Province and Oudomxai Province has been conducting business on the basis of mutual advantage and

has imported various various kinds of goods including construction materials, agricultural tools and consumer goods valued at 150,649,007 kip, which was 66.63 percent of the plan. During the same period the enterprise exported plywood, coffee, sesame etc. valued at 116,751,729 kip, which was 109.47 percent of the plan. It fulfilled its obligation to the budget in the amount of 14,045,301 kip.

At present the enterprise is striving to conduct trade between Oudomxai Province and Ha Nam Ninh Province with greater efficiency than in the past in order to encourage production and steadily improve the living standard of the people.

Cooperation With SRV, SOC Provinces

91SE0100A Vientiane PASASON in Lao 10 Dec 90 p 1

[Unattributed report: "Three Comrade Provinces in Laos, Vietnam, and Cambodia To Expand Economic Cooperation"]

[Text] In the future Attopeu Province will expand its economic and cultural cooperation with its comrade provinces of Gia Lai Long Tum Province in the SRV and Ratanakiri Province in the SOC [State of Cambodia].

The comrade provinces of Attopeu Province, Gia Lai Long Tum Province and Ratanakiri Province are provinces in Laos, Vietnam and Cambodia which border each other. This plan for cooperation was announced by Mr. Thongdam Chanthaphon, the Party Secretary and Chairman of the Administration of Attopeu Province, to the masses in Attopeu Province who joined in the large gathering to celebrate the 15th anniversary of the founding of the LPDR [Lao People's Democratic Republic]. Representatives from Gia Lai Long Tum Province and Ratanakiri Province were invited to join in this celebration. The cooperation between these three provinces will be carried out on the basis of the new changes which have taken place in each country. The provinces will aim at cooperating in building their economic bases and encouraging agricultural production so that it will enter trade. Cooperation in education, public health and culture will also be broader than in the past in order to expand the special solidarity in struggle of these three comrade provinces and steadily make it deeper.

SRV Province Delegation Visit, Cooperation

91SE0100B Vientiane PASASON in Lao 6 Dec 90 p 1

[Unattributed report: "Representatives From Thanh Hoa Province Join in the Celebration of the Lao National Day in Houa Phan Province"]

[Text] On 29 November a group of representatives from Thanh Hoa Province in the SRV, led by Mr. Mai Souan Ming, a member of the province's administrative committee, came for a friendship visit and joined in the celebration of the 15th National Day on 2 December in Houa Phan Province.

In addition this group will meet with the party committee and administrative committee Of Houa Phan Province in order to discuss and examine the conduct of past plans for cooperation and to do research on the primary agenda for cooperation in all areas in 1991.

Embassy in SRV Awards Medals to War-Era Troops

91SE0121B Vientiane PASASON in Lao 25 Dec 90 p 1

[Unattributed report: "The Lao Embassy in Vietnam Awards Medals to Vietnamese Experts and Military Volunteers"]

[Text] According to reports from Hanoi, on 22 December in Hanoi the embassy of the LPDR [Lao People's Democratic Republic] held a ceremony to award the victory medals and medals for bravery of the Assembly of the LPDR to Vietnamese experts and military volunteers who performed their international duties in Laos from 1945 to 1975. On this occasion these experts and military volunteers received 61 class one independence medals, 99 class one victory medals, 121 medals for bravery against the French and 75 medals for bravery against the Americans.

On this occasion Mr. Bouasi Chaleunsuk, the ambassador of the LPDR to Vietnam, pointed out the great achievements of the Vietnamese experts and military volunteers for the Lao revolution in the last half century. He stated that every expansion of the Lao revolution now involved great contributions from Vietnamese combatants, cadres and experts.

Aircraft Scrap Smuggled to Thailand

91SE0153A Bangkok DAILY NEWS in Thai 6 Jan 91 pp 1, 10

[Unattributed report: "Cannon Shells"]

[Excerpt] [passage omitted] At 10:30 hours on 5 January Police Sub-Lieutenant Channarong Khanatnit, the duty officer at the provincial police station in Mukdahan District received a report of an explosion at an unnamed foundry on Mukdahan Road of the municipal district. After receiving the report, he reported to Police Colonel At-han Wilaikit, chief of the Provincial Police, Police Lieutenant Colonel Det Wiangsamut, deputy police chief, and Police Lieutenant Colonel Udom Chanthaphithak, inspector. They went to the site of the incident which was about 2 km away where they found four injured persons lying down and moaning. They sent these persons to the Mukdahan Hospital as they were in serious condition.

At the site of the incident they found fragments of metal scattered about beside the smelter. They found the body of Mr. Bunchantha Chomhao, 23, with the rear of his skull shattered by fragments from the explosion and the brains coming out. Nearby they found the body of Mr.

Kadam, family name unknown, a 25 year old Lao; fragments from the explosion had penetrated his chest and come out his back.

From their investigation they learned that the names of those injured were: Mr. Sun Chaiyanon, 25, Mr. Chon, family name not known, 17, Mr. Um, and Mr. Khamdi, family name not known, 17. Three of these were Lao who had fled into the district. Before the incident, workers at the foundry had carried in scrap metal in the form of cannon shells from aircraft wreckage. The owner of the foundry had purchased these from Laos and Vietnam. They had been putting these into the smelter since early morning until the smelting process caused a very loud explosion. After the explosion those in front of the smelter were left scattered about wounded and dead. After the incident the owner of the factory, whose name is not known, fled.

Police Lieutenant Colonel Det Wiangsamut, the deputy police chief, revealed that there had been explosions at many foundries. Generally these involved scrap metal from the Vietnam War which had been brought in from Laos in various stages. Customs officials had strictly forbidden its importation for reasons of safety, but there were still persons involved in smuggling in this scrap so that incidents like this one were constantly occurring. Police Lieutenant Colonel Udom Chanthaphithak, an inspector, has been ordered to follow the owner of the foundry and bring charges.

Thai Chamber of Commerce on Government, Foreign Investment

91SE0111B Bangkok BAN MUANG in Thai 16 Jan 91 p 6

[Text] The Lao government has promulgated various laws. It has also drafted several new laws and submitted them to the Supreme People's Assembly for approval in order to generate greater confidence among businessmen who invest in Laos.

The Thai Chamber of Commerce disclosed that the Lao government is now aware of the fact that investment in Laos is still at a very low level because of the fact that there is no law to guarantee investments and give confidence to businessmen. Thus, Laos has begun promulgating various laws. For example, it has enacted a Civil and Criminal Code, a Criminal Case Law, a People's Court Law, a Public Prosecutor Law, an Ownership Law, a Contract Law, a Law on Court Fees, and a State Banking Law.

Besides this, the Lao government submitted a draft Labor Law, an Insurance Law, an Enterprise Accounting Law, a Law on Stipulations Outside Contracts, and a Civil Case Law to the Supreme People's Assembly for approval at the assembly's Fifth Plenum held at the end of 1990. Besides this, it has also reached an agreement in order to promote and control investment between Thailand and Laos. This agreement has already gone into effect.

The report stated that since Laos first promulgated its Law on Foreign Investment in Laos in 1988, as of the end of 1990, it has authorized a total of 104 investment projects with a total value of \$233.55 million. Eight of these projects have been canceled. Of the remaining projects, eight are contract investments, 52 are joint enterprise projects, and 36 are enterprises in which all the investment capital has been put up by foreigners. Thailand is involved in 40 of these projects, which is more than any other country.

The projects now underway can be divided into the following categories: import-export activities, 24 projects; industrial and handicrafts activities, 14 projects; ready-made clothing export activities, 12 projects; advisory companies, 10 projects; hotels and tourism, nine projects; timber and rattan processing activities, eight activities; mining and oil exploration activities, seven projects; agricultural activities, six projects; construction, repair, maintenance, and transportation activities, four projects; and banking and flying activities, one project each.

Thai Commercial Attache Reports on Foreign Investment

91SE0111A Bangkok DAO SIAM in Thai 14 Jan 91 p 2

[Text] A report from a commercial attache in Vientiane states that ever since Laos promulgated its Law on Foreign Investment in Laos in 1989, as of November 1990, a total of 104 projects valued at \$233,558,270 have been considered. Of this amount, \$7,243,661 is American investment capital, and \$226,314,609 is investment capital from other countries.

Eight of these projects have now been canceled. The projects that are now being carried on can be divided as follows: import-export activities, 24 projects; industrial and handicrafts activities, 14 projects; ready-made clothing export activities, 12 projects; advisory companies, 10 projects; hotels and tourist activities, nine projects; timber and rattan processing activities, nine projects; mining and oil exploration activities, seven projects; agricultural activities, six projects; construction, repair, maintenance, and transportation activities, four projects; and banking and flying activities, one project each.

Of these investment projects, eight are contract projects, 52 are joint enterprise projects, and 36 are enterprises in which all the investment capital has been put up by foreigners. As for the countries involved in these projects, Thailand has invested in 40 projects. This is followed by France, which has invested in 11 projects; the United States, which has invested in nine projects; China, which has invested in eight projects; Australia, five projects; the Soviet Union, Canada, Taiwan, and England, four projects each; Vietnam and Hong Kong, three projects each; Japan and Sweden, two projects each; and China, Singapore, Denmark, Portugal, and Macau, each with one project.

The Lao government is beginning to realize that investment in Laos is still at a very low level because of the fact that the investment law that was enacted has not instilled sufficient confidence in foreign investors. Around the middle of 1990, the government announced that it was revising several of its laws and regulations. For example, it promulgated a Civil and Criminal Code, a Criminal Case Law, a People's Court Law, and a Law on Conditions for Establishing Banks. It is also in the process of drafting a Labor Law. Besides this, it has also reached an agreement in order to promote and control investment between Thailand and Laos, with this going into effect on 7 December 1990.

Foreign Support Blamed for Vientiane District Subversion

91SE0121A Vientiane PASASON in Lao 25 Dec 90 p 3

[Report by So Phouangdokson: "Fouang District Public Security, Five Years of Improving the Peace"]

[Excerpts] Fouang District is a newly created district which was formed from part of Vang Viang District in 1985. It is situated in the North of Vientiane Province. [passage omitted] Fouang District still suffers from enemy destruction constantly. The enemy conducts many kinds of operations to create disturbances and cause difficulty for the people as they earn a living and develop their locality. Therefore for the past five years the party committee and administrative committee of the district have worked hard to improve public security and have urged on the operations of the local military units and guerrillas so that their district would be peaceful.

Fouang District consists of seven cantons and 89 villages. It has a population of more than 29,000 which includes three large ethnic groups: lowland Lao, Hmong and Lao Theung. [passage omitted] The enemy groups, which have received training, care and support from other countries, have been trying to enter this area to conduct operations to break the solidarity between the ethnic groups and to cause the people to misunderstand the policies of the party and state as well as the new regime. Faced with this situation, all levels of the administration, especially the district military headquarters, constantly strove to correct these problems. They set up local forces and coordinated operations with the guerrilla militia to aggressively search out and destroy enemy groups hidden in the mountains and to quickly disrupt their schemes. In the past five years they have eliminated more than 400 of their forces and captured 10. [passage omitted] The people strove to provide the local military and guerrilla forces with materials and moral support. This demonstrated their firmness and internal solidarity which was an important factor enabling the public security forces to accomplish their duties and bring peace to the entire district. [passage omitted]

Luang Prabang Tax Authorities Note Increased Smuggling

91SE0100D Vientiane PASASON in Lao 31 Dec 90 p 1

[Unattributed report: "Luang Prabang Experiences More Smuggling"]

[Text] According to reports from the customs service of Luang Prabang Province, in 1990 the independent merchants who were operating illegally increased more than in all other years. Inspections resulted in seizures of contraband in 220 cases.

The person responsible for the customs service of this province claimed that the primary reason for this was that there were people who took advantage during the period when the policy of expanding independent business was being carried out.

Hmong Resettled Under Military Authority, Resistance Noted

91SE0121F Vientiane PASASON in Lao 16 Jan 91 p 2

[Report by Manisai: "Mok Mai District, the Hope of the Hmong People"]

[Excerpt] In the middle of last December, I had the opportunity to accompany the party committee and administrative committee of Bolikhamxai Province to Mok Mai District of Xieng Khouang Province. As soon as the B-8 aircraft landed, one could see that there were a great number of Hmong people waiting to greet us and to receive various kinds of assistance including clothes and food for the people who were starving because of the destruction caused by evil groups and natural causes.

The commander of the combat front of Mok Mai District told me on the runway that Mok Mai District was situated in a mountainous region of Xieng Khouang Province and that the development of the district began two or three years ago. Hmong people were assembled from many areas, for example, from Xieng Khouang Province, Bolikhamxai Province, and Vientiane Province. They made up six villages and totaled more than 2,000 people. This operation was the responsibility of the Ministry of Defence and the local administrations in Xieng Khouang Province.

During 1990 the economic development of Mok Mai District began to take shape. The government used aircraft to send in machinery, bulldozers, and graders to build more than 200 km of roads through to Xieng Khouang Province and Bolikhamxai Province. [passage omitted]

Prosthetics, Rehabilitation Efforts Discussed

91SE0100E Vientiane PASASON in Lao 2 Jan 91 p 1

[Unattributed report: "There Are Branches To Rehabilitate the Disabled in 12 Provinces"]

[Text] According to Dr. Thongchan Thepsomphou, the director of the center for rehabilitating the disabled, the

work done by this center was very important for those who had lost limbs. This work was necessary in order to make life convenient for the disabled.

In 1990 the center was able to carry out this duty by completing 82 percent of the plan for producing artificial legs, 10 percent of the plan for artificial arms, 21 percent of the plan for lapkha [leg braces], 7 percent of the plan for body supports, 28 percent of the plan for artificial

feet, 4 percent of the plan for wheeled vehicles, 6 percent of the plan for artificial knees and 75 percent of the plan for crutches. The center was able to achieve an income of more than 3.2 million kip, and of this 2 million was used to fulfill obligations to the budget.

At present there are branches to rehabilitate the disabled in 12 provinces and in four hospitals under central authority.

POLITICAL

PAS Denounces U.S., Seeks Volunteers To Help Iraq*91SE0139A Kuala Lumpur BERITA HARIAN in Malay 22 Jan 91 p 19*

[Text] Kuala Lumpur, 21 Jan—Several senior PAS [Pan-Malaysian Islamic Party] will join a force of volunteers to go to Iraq to help people of that country who are suffering because of the Gulf War, said Haji Subky Latif, information chief at PAS Headquarters.

He confirmed that he is one of the leaders participating in the volunteer force for Iraq.

He did not give the names of other PAS leaders joining him in the volunteer force.

PAS Headquarters has printed 10,000 applications for distribution to people who want to join the volunteers.

"The volunteer force is not limited to medical personnel, but is open to people who want to help Iraqis in any way to lighten the burdens caused by the Gulf War," he said in an interview at party headquarters today.

Haji Subky said the volunteers' main objective is to help the Islamic people of Iraq and not to support President Saddam Hussein.

The dispatch of the volunteer force complies with a decision made at the International Islamic Community Conference, which was held in Baghdad from 9 to 11 January, he said.

He said the volunteer force will be assigned to the Iraqi capital and principal cities.

PAS Secretary-General Haji Halim Arshat said in an interview after a joint meeting of the PAS Headquarters Committee and the PAS Islamic Scholars Council that he will contact the Iraqi Embassy about sending the volunteer force.

"We will decide on how to send the volunteers when all applications have been collected."

Haji Halim said that PAS will send a memorandum to the government asking that it withdraw its support for the UN Security Council resolution on the economic blockade and use of military force against Iraq.

He said PAS denounces the action of the United States and its allies in attacking Iraq and starting the war in the Gulf.

Meanwhile, PAS has collected about 12,000 ringgit from a number of groups and individuals through the Gulf War Assistance Fund to help Iraqi Muslims during the Gulf War.

The fund's president, Haji Fadzil Nor, said the contributions will be used to buy medicine and food for the Iraqi people.

Speaking last night at a rally at PAS Headquarters here to mark 100 days of PAS government in Kelantan, he said PAS will send volunteers to Iraq.

Haji Fadzil said PAS is giving help to the Islamic community in Iraq in compliance with decisions made by PAS delegates at the International Islamic Community Conference held from 9 to 11 January.

He explained that PAS supports Iraq and opposes the United States because it believes this is a war between Islam and infidels.

"PAS is firm in its decision to help Iraq and to ask the United States to leave Arab lands," he said.

Commenting on the PAS action, Deputy Home Minister Datuk Megat Junid Megat Ayob said the government cannot prohibit PAS volunteers from going to Iraq as long as they obtain valid travel documents.

He said Malaysian people may go anywhere except Israel and South Africa as long as they get visas from the countries they want to visit.

"It is up to them; the government cannot hinder them," he said at Parliament Building in reply to a reporter's question about PAS intentions to send volunteers to Iraq.

He said that their travel is at their own risk and that the government can do nothing about it.

Paramount Ruler Says Islamic Nations Must Resolve Own Problems*91SE0139B Kuala Lumpur BERITA HARIAN in Malay 23 Jan 91 p 2*

[Text] Kuala Lumpur, 22 Jan—Paramount Ruler Sultan Azlan Shah said today that the problems faced by Islamic countries, especially the Gulf crisis and the Palestinian issue, need a resolution supported fully by Islamic countries.

He said the Islamic world now faces a number of problems that could hurt Islamic unity and strength.

"These problems require a resolution that is fully supported by Islamic countries so that peace and prosperity can be achieved in the region," the paramount ruler said.

He made this statement when the new Saudi Arabian ambassador, Muhammad Hassan Abdul Wali, presented his credentials at the National Palace.

According to the paramount ruler, Malaysia is following the Palestinian issue and all developments in the Gulf region with concern.

He believes that stronger ties between Malaysia and Saudi Arabia will make a positive contribution toward Islamic and world peace.

The close ties and cooperation that have long existed between the two countries can be further strengthened

through joint efforts in trade, socioeconomic, and scientific spheres for their mutual benefit, the paramount ruler asserted.

Muhammad Hassan replaces Fuad Abdul Hameed Al-Khateeb, who ended his tour in August 1989 after two years at the post.

Pending the arrival of Muhammad Hassan, the Saudi Arabian Embassy was directed by a charge d'affaires.

Kelantan Spirit of '46 Leaders Resign in Protest

*91SE0139C Kuala Lumpur BERITA HARIAN
in Malay 23 Jan 91 p 1*

[Text] Kota Bharu, 22 Jan—Five state Spirit of '46 leaders have resigned their party positions because of their dissatisfaction with the leadership of Liaison President Haji Rozali Isohak, whom they say too often follows PAS [Pan-Malaysian Islamic Party] wishes, particularly in the distribution of state administrative jobs.

Those who resigned are Kok Lanis Division President Haji Wan Mohamad Bakar; Tumpat Division President Haji Mahmud Yaakub; his deputy, Haji Othman Mohamed Udin; Treasurer Haji Wan Kamaruddin Wan Ismail; and the division's secretary, Muhammad Sulaiman.

Kassim Mohamed, the party's liaison secretary, confirmed in an interview today that he received their letters of resignation about a month ago.

He said their letters were submitted to party leaders, including Party President Tengku Razaleigh Hamzah, about a week ago.

Meanwhile, a source said the resignations are the result of their dissatisfaction over the way that Haji Rozali, who is also second deputy chief minister, has allocated quotas among the party and other parties allied in the Islamic Unity Movement (Angkatan), especially PAS.

They feel that Haji Rozali is too weak and accepts anything PAS wants.

"Several Spirit of '46 leaders and supporters are disappointed over Haji Rozali's actions," the source said.

Earlier, several Spirit of '46 leaders declared their dissatisfaction over allocation of quotas, particularly for district councils. The issue was widely publicized by several newspapers.

Recently, however, Tengku Razaleigh Hamzah denied any problem over this issue between the party and Kelantan PAS and said he believed it can be resolved at the Angkatan Coordination Committee meeting on 26 January.

Samy Vellu Reconciled With Subramaniam

Forgets Problems

*91SE0139D Kuala Lumpur BERITA HARIAN
in Malay 24 Jan 91 p 2*

[Text] Malacca, 23 Jan—MIC [Malaysian Indian Congress] President Datuk Sri S. Samy Vellu said he has forgotten all problems with his deputy, Datuk S. Subramaniam, and vowed cooperation for the sake of the party.

He said that he has forgotten all differences of opinion with Datuk Subramaniam and that the emphasis must now be on efforts to strengthen the party.

Datuk Sri Samy, who is also minister of energy, telecommunications, and posts, said cooperation among all party leaders and members is very important to the strengthening of MIC unity.

He said that through cooperation and steadfast unity among leaders and members, the MIC will be able to overcome every challenge and obstacle it may face.

"I am not able to bear every responsibility in the party forever. Therefore, everyone in the MIC, especially the leaders, must shoulder responsibility together.

"The success of the party does not depend on one or two particular leaders but requires the cooperation and contribution of all party members," he said.

He said this to reporters last night after attending a dinner meeting held by the Malacca MIC at the Expo Center in Ayer Keroh.

Datuk Sri Samy made this statement in connection with the reappointment of Datuk Subramaniam as deputy minister of agriculture and member of the Senate, which became effective on Monday [21 January].

Datuk M. Mahalingam, member of Parliament from Kapar, was appointed to be the new deputy minister of human resources.

Subramaniam Cooperates

*91SE0139E Kuala Lumpur BERITA HARIAN
in Malay 24 Jan 91 p 2*

[Text] Kuantan, 23 Jan—Datuk S. Subramaniam accepted reappointment to the post of deputy minister of agriculture after resolving differences with MIC President Datuk Sri S. Samy Vellu.

He said the offer of the post was made after his meeting with Datuk Sri Samy. He agreed to accept the position in the spirit of the National Front and for the sake of the country and people.

The deputy MIC president said that his relationship with the MIC president has been restored to normal and that he will cooperate fully with Datuk Sri Samy.

"I am willing to put aside every political difference with Datuk Sri Samy to ensure that unity among party members will continue. Any division will merely hurt the party.

"The party's interests should be given priority, and the important thing now is cooperation by everyone to guarantee party strength for the good of the membership," he told reporters in an interview here yesterday.

Datuk Subramaniam said that starting next month he will tour the entire country to explain his situation to members and to stress the importance of maintaining cooperation among members.

He said MIC members should forget every past problem and misunderstanding.

ECONOMIC

Offer to Help Vietnam Rebuild Economy

91SE0149A Bangkok *THE NATION* in English
11 Feb 91 p 5

[Text] Malaysia is prepared to help Vietnam rebuild its economy to reduce its refugee outflow, *Bernama* news agency quoted Deputy Prime Minister Ghafar Baba as saying yesterday.

"It is not wrong for us to help and cooperate with them," Ghafar said after sending off Vietnam's First Deputy Prime Minister Vo Van Kiet at Subang airport.

He said Vietnam was interested in learning and drawing from Malaysia's experience in agriculture, especially palm oil and rubber planting, and in petroleum, management, banking and finance.

During talks between Malaysian and Vietnamese officials here, Hanoi expressed a desire to buy fertilisers and consumer goods from Malaysia and has offered to sell coal in return.

Ghafar said a team of Vietnamese officials would arrive here at the end of the month to begin consultations on how Malaysia could assist Vietnam in rebuilding its economy.

Malaysia, which has borne the brunt of Vietnam's flood of boatpeople and currently hosts some 15,000, has said it will close the main transit camp on Bidong island but has not set a deadline.

Responding to the claims, Foreign Minister Abu Hassan reiterated that the government was definitely closing the camp but had not decided when.

Refugee officials and diplomats said Malaysia was also continuing to push out refugee vessels, a policy that has resulted in no new arrivals since the middle of last year.

The stance was taken after Kuala Lumpur failed to get U.S. and Vietnamese approval for the forced repatriation of boatpeople who failed to qualify for resettlement in third countries.

Trade Mission Planned

91AF0640Z Port Louis LE MAURICIEN in French
31 Jan 91 p 6

[Article by Leon Baya: "Thirty-Member Singapore Trade Mission Expected"; italicized words published in English]

[Text] Some 30 Singapore businessmen will be in Mauritius on 24-28 February as part of a trade mission organized by the *Singapore Trade Development Board*!

This is the first time that such a strong Singaporean delegation comes to Mauritius; it will essentially look for local importers and distributors for a wide range of products, including alcoholic beverages, feed production equipment, sanitary and domestic appliances, software, lumber, canned food, pharmaceuticals, spices, tires for various types of vehicles, automotive spare parts, and oil products.

The delegation will include a representative of the *Export Credit Insurance Corporation of Singapore*

[ECICS], which provides credit and insurance facilities to exporters. The ECICS will contact banks and the Chamber of Commerce and Industry to explain all the services it offers. The mission will also include an official from the *Informatics Computer School*, which prepares customized training programs.

In addition, a group of printers will accompany the mission; they intend to offer their services—they are well known for their advanced technology—to the Ministry of Education, the University of Mauritius, bookstore owners, and teachers.

The mission will be headed by Mr. Adnam Ramly, *chief executive* of the *Singapore Trade Development Board*. The Mauritius high commissioner in Singapore, Mr. Herman Hochstadt, will also come with the mission.

In 1989, Singapore accounted for 2.5 percent of Mauritius total imports, i.e., 501 million rupees. For the first half of 1990, our imports amounted to 290 million rupees. Mauritius 1989 exports to Singapore amounted to only 58 million rupees.

POLITICAL**Cubans To Coach Amateur Boxers**

91SE0135A Bangkok *THE NATION* in English
22 Jan 91 p a14

[Article by Panya Prachakorn]

[Excerpt] The Thai boxing squad for this year's South East Asian (SEA) Games will get top-level coach from Cuba, secretary general of the Amateur Boxing Association of Thailand (Abat) announced yesterday.

Dr Sakchye Tapsuwan, association's secretary general, told *THE NATION* in an interview that the Sports Authority of Thailand (SAT) is to provide the Cuban coach to help preparing the nation SEA Games boxing team.

According to Dr Sakchye, the association had requested the SAT for some overseas experts to train the national team and the SAT agreed to provide the Cuban to instruct Thai coaches and train the national fighters.

Sakchye further said, "It's a very good news for the association. Cuba has produced a number of world finest amateur boxers and won several international tournaments.

"With the help of Cuban coach, the national team will tremendously improve," the association's secretary confidently said.

Dr Sakchye also disclosed that the name of the Cuban coach is Dosones Scala.

The SAT will pay all expenses of Cuban coach including his salary.

The 57-year-old coach is scheduled to arrive in Bangkok on March 6 together with the Cuban boxing team for the World Challenge Matches to be held at the Panthip Plaza on March 9-10. [passage omitted]

MILITARY**Army Considers Purchase of Israeli Artillery Weapon**

91WC0058A Bangkok *LAK THAI* in Thai
28 Jan 91-3 Feb 91 p 11

[Column by M.C. Wan]

[Excerpt] [passage omitted] The LAR 160 is a type of rocket artillery that has a range of 30 km.

As for the firepower of the LAR 160, two firing pods have the firepower of two battalions of 155 mm guns. Each pod can hold 18 rockets. The vehicle that transports the rockets can carry another 36 missiles in reserve. Each missile weighs 50 kg. It takes less than 60 seconds to fire a missile. With modifications, these can be

installed atop various vehicles, including U.S. M-41 and M-48 tanks. These can be equipped with two firing pods, and these can be 25-round firing pods. The 18-round firing pods can be installed atop other types of vehicles such as trucks weighing 7 tons or more. The vehicles used specifically for carrying these firing pods use the 18-round type. The 18-round pods can be moved by helicopters, such as Chinook helicopters, or transported by C-130 transport aircraft. These can also be installed aboard warships and used to destroy coastal targets. These are well-suited for use aboard fast attack boats.

The Israeli IMI Company, which is the company that builds the LAR 160, has been offering to sell its goods to the Thai army for two years now. Thus, it has offered to sell a rather new item, because the Israeli army just began using the LAR 160 in 1984.

The army is considering whether to purchase this weapon for the cavalry or the artillery. The army is not concerned about the quality of this weapon, but it would like to reach an agreement on the price of the weapon. If Israel goes to war and uses this weapon against Jordan or Syria, this will be tantamount to certifying the quality of this weapon, that is, its quality will have been proven in combat. The Thai army will probably wait and compare the LAR 160 with the various rockets produced by China, which are already deployed in Thai units.

ECONOMIC**Phatchara Comments on Trade Problems With U.S.**

91SE0120B Bangkok *NAEO NA (LOK THURAKIT SUPPLEMENT)* in Thai 21 Jan 91 pp 1, 3

[Excerpt] [passage omitted] At a seminar on "1991 Export Targets," during a discussion on the topic "The Uruguay Talks—Who Gained and Who Lost," Mr. Phatchara Isarasenao Na Ayuthaya, the undersecretary of commerce, said that the important variable that will determine whether Thailand will be able to export goods and compete on world markets is our ability to maintain as many of Thailand's rights as possible. We must find ways to stop and retaliate against trade competitors with whom Thailand has problems instead of remaining idle. We must also take steps to become more competitive, such as by reducing production costs and finding ways to improve the quality of our agricultural and industrial products.

One way to achieve these things is to make trade even freer. We can open up trade within ASEAN first in order to increase competition. Competition will force Thailand to produce good quality goods that can compete on world markets.

Mr. Phatchara said that the GATT talks in Uruguay will affect various countries differently. No one knows what effects the talks will have. But Thailand and other countries agree that the GATT regulations must be

changed to ensure that developing countries and poor countries are treated more fairly on the trade front. Because today, there are still many loopholes that the developed countries can use as protectionist tools against countries with less economic power. In particular, there are still no clear regulations regarding export support and anti-dumping measures. As a result, the United States has tightened its regulations in order to create trade turmoil.

"As a result of these loopholes, the United States has implemented even greater retaliatory measures. For example, it has prohibited the import of goods from countries that import raw materials from countries that the United States has charged with dumping goods. Protectionism has advanced to the point where the United States is using regulations on dumping goods in a third country. That is, the United States might charge that Thailand is exporting goods to a third country and selling large quantities at a low price, with the result that the United States can't sell the same type of product there. Thailand must discuss these issues in great detail so that all developing countries benefit from the revision of the GATT regulations." Mr. Phatchara said that there are still several important issues in GATT that have not been resolved. In particular, there is the matter of the United States and the EC supporting the cultivation and export of agricultural products. But other countries want to reduce supports so that products from the developing countries can compete on world markets. Several countries are trying to negotiate this.

"Comparing and evaluating things, Thailand stands to benefit from reducing the export and cultivation subsidies provided by various countries for certain important goods. For example, with respect to rice, the Thai subsidy is 0.2 percent. But the U.S. subsidy is 64 percent, that of the EC is 68 percent, Japan's is 89 percent, Brazil's is 60 percent, and Korea's is 73.7 percent. Thus, if the subsidies are reduced and things are made more free, Thailand will benefit greatly. The same is true for soybeans. The Thai subsidy is 22 percent, Canada's is 15 percent, Japan's is 68 percent, the EC's is 52 percent, and that of the United States is 10 percent. In this case, the United States will benefit more than Thailand and other countries. We have to give up some things in order to gain other things."

If there is free trade worldwide, the price of some agricultural goods will decline while the price of others will increase. The price of rice, for example, will increase 42-28 percent. If subsidies are reduced 20 percent, the price of rice will still increase 18 percent.

Mr. Phatchara said that in addition to agricultural goods, no agreement has been reached on various other items such as textiles and intellectual property, because each country is more interested in promoting its own interests than it is in reaching a compromise.

Trade Attache in Japan Urges Cooperation With U.S.

91SE0152A Bangkok NAE0 NA (LOK THURAKIT Supplement) in Thai 28 Dec 90 pp 7, 8

[Unattributed report: "A Recommendation That Thailand Cooperate With the United States in Pressing Japan To Open Its Rice Market"]

[Excerpt] [passage omitted] Mr. Rachentha Photchanasunthon, a trade adviser in Tokyo, reported to the Ministry of Commerce that after the General Agreement on Tariffs and Trade (GATT) meeting in Brussels, Belgium at the beginning of December, the analysis and comment from various circles was that the Japanese government was not demonstrating leadership, was not supporting the GATT agreement, and would probably insist on keeping the rice market closed.

Japanese trade circles had indicated their views and had pressured the government to consider opening the rice market in order to support this GATT meeting because if the meeting was successful and helped to reduce U.S. pressure and if the government still persisted in this policy, the United States might adopt countermeasures especially for industrial production and autos. Japan exports these products and has set up a large number of plants in the United States—these would certainly be subject to the countermeasures.

Japanese political experts and analysts believe that the policy can be changed and the rice market opened. It will require pressure from abroad with the United States applying more pressure than now because in the past changing an important Japanese policy has required foreign pressure. Otherwise there is no change.

"Many believe that if there is another GATT meeting at the beginning of January 1991, there will have to be greater pressure to bring the Japanese government to change this policy. It can be seen that the government party and many government officials are becoming more flexible about opening the rice market. There are reports that the United States has made a recommendation to the Japanese government that it open its rice market initially for 300,000 tons. Then this amount would be increased 10 percent per year for 10 years. This proposal was turned down because it appeared to them that if Japan opened its rice market, there was no guarantee that the United States and the European Economic Community (EC) would agree about industrial exports".

Mr. Rachentha also reported that if the United States and the EC were able to reach an agreement on export subsidies, then Japan might open its rice market somewhat. At this point various groups in Japan are willing to accept the opening of the rice market. Only those politicians involved with the Japanese farmers were still opposed to this.

Thailand should cooperate with the United States in pressuring Japan to open its rice market. It is felt that the

chances for success are great, which would allow Thailand to increase its market for rice in Japan.

Vietnamese Dried Garlic Popular, Undersells Local Produce

91SE0152C Bangkok DAILY NEWS in Thai 4 Jan 91 p 9

[Unattributed report: "Vietnamese Garlic Hurts the Thai Market in Mukdahan"]

[Excerpts] [passage omitted] Garlic is a product which is being shipped from Vietnam along Highway 9 through Laos and into Thailand at Mukdahan Province. Large quantities of it are being smuggled into the country for distribution, and the price is very low—only 8 baht per kg (for dried garlic). The garlic smuggled in is quite large—3 to 5 cm across. It is much larger and less expensive than our garlic, and this is affecting the agricultural economy of Thailand. A great deal of garlic is raised in Mukdahan, Nakhon Phanom, and Sisaket.

Mr. Phon Matchanimaphrut, a customs officer for Mukdahan Province, told reporters stationed in Mukdahan that customs officials had seized about 800 kg of dried garlic since last November. [passage omitted] Customs in Mukdahan Province has had a plan of operations since 1 December. Under an order of the Cabinet, garlic was placed under the import controls stated in Proclamation No. 6 of 1980. [passage omitted]

Mr. Sanong Sitthiwuthi, a Mukdahan Province agriculture official, said that he had also learned that garlic from Vietnam was pouring into Mukdahan Province in large quantities and that the persons smuggling it in were selling it at a low price. Each day middlemen came in vehicles to wait to buy it and then to distribute it to various provinces throughout the country. This would certainly have an effect on the agricultural economy. Normally the farmers of Mukdahan Province and the provinces along the border liked to raise garlic during the cold season. [passage omitted] Each year the farmers invested a great deal in raising garlic because garlic was a vegetable which was necessary for seasoning the food of every household no matter whether they ate local food, Thai food, or Chinese food. Therefore garlic was one vegetable which could always make a great deal of money for farmers. When they learned that garlic from Vietnam was pouring into the Thai market via Mukdahan Province in large amounts, the farmers of Mukdahan Province were not unconcerned. District and precinct level agriculture officials were sent out to advise farmers to plant other crops in rotation and to improve the quality of Thai garlic, and they also cooperated with other units to block the smuggling of illegal garlic into the country, Mr. Sanong Sitthiwuthi said in closing.

Commerce Minister's Intentions on Iraq Exports

91SE0136B Bangkok BANGKOK POST in English 23 Jan 91 p 15

[Text] Commerce Minister Amaret Sila-on hinted yesterday that he would ask the Government to absorb the interest burden placed on exporters for Iraq's unpaid rice bills of 1,800 million baht.

Mr Amaret suggested he would do this following a request from the Rice Exporters' Association prior to yesterday's weekly Cabinet meeting.

Mr Amaret said as rice exporters were complying with the Government's policy on rice exports, the Government should step in and help them.

The Iraqi Government recently informed the Thai Government that it would fully pay last year's debts to Thai rice exporters once the Persian Gulf crisis was over.

Thai exporters, with the Bank of Thailand's consent, gave Iraq a credit term of 12 to 18 months.

However, Baghdad refused to be held accountable for interest due over the 12 months since the date of purchase.

Confident

Mr Amaret was confident Baghdad would settle its debts to Thai exporters. He said it was a situation similar to one which occurred during World War II.

Earlier, REA vice-president Vorapong Pichapongsa asked the Government to help absorb losses incurred by exporters because of the unpaid bills.

He cited the case of the U.S. Government which had a policy to absorb losses in the private sector incurred from rice exports.

The Thai Government earlier extended from six months to a year the packing credit period for rice exporters' shipments to Iraq.

Phatchara Urges Liberalized ASEAN Trade, Comments on GATT

91SE0136C Bangkok THE NATION in English 17 Jan 91 p b1

[Article by Achara Pongvuthitham and Apisak Dhana-settakorn]

[Text] Thailand should first liberalize its trade with other members of the Association of Southeast Asian Nations (ASEAN) before opening up its market more fully to other trading partners, the permanent secretary of the Commerce Ministry said at the weekend.

A freer flow of trade with ASEAN partners will help domestic industries increase the quality of Thai exports more easily though intra-ASEAN competition, according to Bajr Isarasena.

He said ASEAN governments could reduce taxes on imports from member countries to create a competitive environment which is beneficial in helping ASEAN industries prepare themselves to face tougher competition in the global market.

Speaking at a seminar on 1991 exports and balance of trade, Bajr also stressed that Thailand has to maintain its status quo in global trade by settling disputes with trading partners and resorting to retaliative measures, if necessary.

Bajr asserted that a freer flow of trade is the key to accelerate the country's ability to compete better in the world market.

Pending the outcome of the General Agreement on Tariffs and Trade (GATT) talks, he said, GATT regulations contain loopholes which allow powerful nations, such as the U.S., to contest their cases with an upper hand.

For instance, exports of manufactured goods to third markets could face a threat since they hurt the sales of more expensive products from the U.S.. These regulations therefore need to be amended to be fairer.

The official noted that Thailand will gain once the issue of agricultural subsidies is resolved at the multilateral forum. Farm crops are currently heavily subsidized in the U.S. and the EC.

Rice subsidies, for example, are much higher in the U.S. and EC (64 percent and 68 percent, respectively) compared with less than one percent in Thailand.

If the world market for rice is free of subsidies, prices could jump by 42-48 percent. This will boost Thailand's earnings from rice exports dramatically.

On the other hand, the U.S. will gain if soybean subsidies are removed or cut as U.S. producers are less subsidized than Thailand and other countries.

Apart from agricultural products, the GATT is not yet able to iron out differences on other issues including textiles and intellectual property rights, because each country first considers only its own benefits.

Bigger Private Sector Role Sought in EGAT Investment

*91SE0136A Bangkok THE NATION in English
24 Jan 91 p b1*

[Article by Pichaya Changsong]

[Text] The government yesterday rejected a massive investment programme proposed by the Electricity Generating Authority of Thailand aimed at boosting the country's over-stretched power generating capacity.

Anuwat Watanapongsiri, the science, technology and energy minister, said the National Energy Policy Committee, which reviewed the Bt207 billion programme,

believed that EGAT should allow for a bigger private sector role in the expansion schemes.

Some members of the Committee, which is chaired by the prime minister, rejected the EGAT plans on the ground that they lacked incentive for the private sector because they only provided for build, own and sell (Bos) participation, according to the minister.

He suggested that EGAT should allow the private sector to build, own, and operate (Boo) new power generating facilities. Unlike Boo, there is no room for private sector operation of projects under Bos. However, both participation structures require the private sector to sell electricity to EGAT for distribution.

To cope with the fast-growing demand for electricity and to boost national power reserves from the present 16 percent of consumption, a total of Bt207 billion will be invested under the EGAT programme.

The authority has said it can only raise Bt118 billion so the private sector will be expected to contribute the remainder—Bt89.7 billion.

The EGAT programme, which will be implemented over several years, includes power plants at Nam Phong, Khon Kaen; Phra Nakornchai; Kanom, Nakorn Si Thammarat; Rayong; and Chonburi.

Anuwat disclosed that Australian interests were keen to invest in the construction of our 700-megawatt power plants; two in Chon Buri and two near the Mab Ta Phud Industrial Estate.

Meanwhile, the National Energy Policy Committee yesterday endorsed a plan that paves the way for private sector investment in the production of lubricant oil. Investors will be required to pay Bt70 million in fees to the government.

Thai Petrochemical Industry Co plans to invest in the project to produce base oil for the lubricant industry. Its project will cost about Bt5 billion and will use bunker oil from domestic refineries. At present, Thailand has no base oil production plant for lubricants.

Commerce Minister, Deputy Comment on Export Strategy

91SE0120A Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 19 Jan 91 pp 7, 8

[Excerpt] [passage omitted] At a seminar on the topic "1991 Export Targets" held on 18 January, Mr. Amaret Sila-on, the minister of commerce, said that last year various things happened that had a very negative effect on international trade. In particular, there was the trade embargo and crisis in the Middle East. Thailand must revise its trade strategy in keeping with the situation.

Mr. Amaret said that this year, more aggressive measures will be used. We must quickly find new markets and develop a much greater variety of products.

"As for protecting the nation's interests from protectionism, Thailand must take steps to strengthen its position in bilateral and multilateral negotiations. We must expand economic and trade cooperation with countries whose interests are in line with ours, such as Asian and Pacific countries and the ASEAN countries. We must revise our trade laws so that we can retaliate against various countries. We must support the production of a sufficient number of people who are experts in the field of international trade in line with the growth in trade."

The 1991 export target has been set at 670 billion baht, an increase of 13 percent over 1990 when 590 million baht worth of goods were exported. The trade deficit is expected to reach 313 billion baht, up from 240 billion baht in 1990. But Mr. Amaret said that this target may change if the war has a major impact. After the war has ended, exports will increase.

The main export goods in 1991 include 34 types of agricultural products whose value has increased 1.7 percent as compared with last year, 108 types of industrial goods whose value has increased 10 percent as compared with last year, and 6 mineral and fuel items whose value has increased 17.5 percent. But the export of mineral and fuel items may be reduced in order to prevent shortages.

"During the past three-four years, Thailand's exports have increased constantly. But it isn't clear whether this was due to skill or luck. We must develop our skills. We can't rely on good luck."

Mr. Sukhon Kanchanalai, the director-general of the Department of Business Economics, said that Thailand already has a trade law that can be used to retaliate against those countries that engage in trade practices that are unfair to Thailand. The Act on Market Dumping was promulgated more than 10 years ago. But we have never used this law, which was drafted by the Ministry of Finance. We must start using this law in order to protect the nation's interests. This law does not violate GATT laws in any way.

"The problem is that the private sector doesn't understand this law. And there has never been a case in which we needed to use this law. Or if there has been, no one was interested in using this law. We will take steps to familiarize the private sector with this law. We will cooperate with the Thai Chamber of Commerce and the industrial sector. Thus, if the need to use this law arises, we will have a committee similar to the U.S. Office of Trade Cooperation. Committee members will include the undersecretary of commerce, a representative from the Ministry of Finance, and the director-general of the Department of Business Economics. Before implementing this law, they will discuss whether a country is dumping goods on the market."

Trade Attaches Comment on Export Options

91SE0120C Bangkok NAE0 NA (LOK THURAKIT SUPPLEMENT) in Thai 21 Jan 91 p 3

[Text] Miss Wisitsi Chintana, a trade attache stationed in Washington D.C., said that after the United States takes steps to solve its financial problems, its position should improve during the third quarter of this year. This will result in an increase in Thai exports to the United States. But the United States continues to use protectionist measures with respect to processed goods exported to the United States. For example, it has implemented a law on the quality of water used to raise aquatic animals prior to processing. The American people are very concerned about health issues. Thus, the goods exported to the United States should be in line with the changing tastes of consumers.

As for the anti-dumping measures (AD) or export subsidy counter measures (CVD) that the United States is using against other countries, Thailand's private sector should put up money to establish a fund to point out the problems that could arise from these charges. And it should provide funds to produce goods to accompany these explanations.

Mr. Rachen Phatchanasunthon, a trade attache stationed in Tokyo, said that the United States and the European Community (EC) are putting great pressure on Japan to open up its markets more. If Japan does open up its trade markets, Thailand will have an opportunity to export more goods to Japan. Japan is trying to change its image. It is helping the developing countries by buying more goods from them.

The Japanese market emphasizes quality and is very concerned about brands. Thai exporters should use trademarks more. And if there are joint ventures with Japanese companies in producing goods for sale in Japan, this will facilitate things.

Mr. Manun Saenghiran, a trade attache stationed in Vienna, said that following the changes in Eastern Europe, the East European market has become a major market of great interest. But the buying power of these countries is still limited. There is a great demand for food products and daily necessities. If Thai exporters want to expand their markets into Eastern Europe, they will have to be patient in their dealings with these countries. But in the next two years, their trade system will change and become more international. The Thai export target for this market this year is approximately 14 billion baht.

Mr. Damrong Intharamisap, a trade attache stationed in Brussels, said that the EC is beginning to play a greater role. Each country will need different types of goods. Even though the EC will form a common market in 1992, it shouldn't take Thai exporters too long to adjust to the new situation. Exports to EC markets this year will be at least 119 billion baht.

Pharmaceutical Associations Disagree on Drug Patent Issue

91SE0136D Bangkok *THE NATION* in English
17 Jan 91 pp b1, b12

[Article by Oranuch Anusaksathien]

[Text] Two local pharmaceutical associations representing different interests have failed to reach agreement on revisions to the country's patent law aimed at bringing drugs and their ingredients under its scope.

While the Thai Pharmaceutical Producers Association (PPA) welcomed the government's attempt to broaden the scope and terms of patent protection, the body that represents local producers, the Thai Pharmaceutical Manufacturers Association (TPMA), said it would be tantamount to granting monopolistic rights to owners of patented drugs.

The PPA represents multinational pharmaceutical companies.

The debate on whether Thailand should amend the Patent Act B.E. 2522 (1979) has raged for almost five years now. The United States has demanded that Thailand amend its law to provide effective and adequate protection for intellectual property—patents, copyrights and trademarks.

It was not until 1989 that the Cabinet appointed a high-powered committee to review and amend the intellectual property laws including the patent act to appease Washington. The patent act now under review offers no protection for pharmaceuticals and their ingredients, food, drink, farm machinery and biological processes.

The so-called "exclusion list" has been a major sticking point in negotiations between Thai and U.S. trade officials. Other dispute areas are the period of protection and the compulsory licensing conditions under which the holder of the patent is required to licence or surrender his/her right to others.

The sub-committee revising the patent regulations will shortly recommend to the main committee that the protection term for inventions be extended to 20 years and for products designs to 15 years from 10 years.

It will also recommend that the compulsory licensing conditions be narrowed to make it tougher for others to share the patent holder's right. The revised patent law is expected to go before the House in the May parliamentary session.

Prof Vanida Chitman, executive director of the Pharmaceutical Producers Association, welcomed the changes saying that if adopted, a new era would dawn under which pharmaceuticals and their active ingredients would be assured full government protection.

At present, it takes only about one-to-two years for the local producer to get their generic drugs (in contrast to

original drugs) registered and marketed locally, barring the original drug from gaining a firm foothold.

Taking into account the huge investment involved in research and development of new drugs and new chemical entities, inventors, some of whom still hold valid patents for their drug, have suffered at the hands of widespread and speedy imitators, Vanida said.

Because valid foreign product patents are not recognized here, local drug firms are free to produce and sell the same products legally, Vanida said, adding that the local product might not be reliable.

Meanwhile, Preeya Sibunruang, president of the Thai Pharmaceutical Manufacturers Association, strongly denied that the association's campaign against the revised patent law was based on self interest.

She said there was sufficient evidence in countries that had granted product patents to pharmaceuticals and their ingredients to indicate that the practice resulted in significantly higher prices.

With low per capita income, consumers would be at the mercy of the patent holders who could decide to raise prices at any time, she said, adding that at present competition from local firms has pressured drug prices lower.

In regard to the quality of the products, Preeya said about 60 percent of local firms have been awarded the good manufacturing practice (GMP) certificate from the Food and Drug Administration, which attests to a set of standards applying to both local and multi-national pharmaceutical firms.

The requirement has forced local producers to upgrade their production by investing hundreds of millions of baht. Several smaller firms which could not meet the standards have disappeared from the industry, Preeya said.

She said that the local pharmaceutical industry, which is still in its infancy, might not survive if product patents were to be granted.

Furthermore, regulatory measures imposed by the Food and Drug Administration to fill in the gap before Thailand amended its patent law have provided patent holders with sufficient protection, Preeya added.

The measures were introduced in August 1989, a few months after the Thai government agreed in principle to a request from Washington.

Under the temporary regulations, foreign pharmaceutical firms introducing drugs to the local market are permitted "conditional" marketing rights for about two years, during which time the firm is required to examine the impact of the drug on Thai users.

The drug can only be sold through prescription channels (ie, through private and state hospitals). In the meantime, the FDA will refuse to register imitation and generic drugs.

According to Preeya, that means foreign producers enjoy two years of unchallenged access to the market under the arrangement.

Only after the drug receives unconditional registration, which allows it to be sold nationwide, can the local producer apply for registration. By that time, the applicant will be required to carry out a bio-equivalence study to ensure that the product has similar biological effects on users as the original drugs. The process lasts between six months and one year.

By the time the local generic drugs are launched to the market, the original drugs have established their presence, according to Preeya.

Vanida, however, rejected Preeya's interpretation, saying that the foreign pharmaceutical companies would gain monopolistic powers under the proposed amendments. They must still compete against a range of products, according to Vanida. For some products, the patents for which have already expired, generic drugs can still be manufactured legally to compete against the original.

Moreover, the revised patent, if adopted, would not have a retroactive effect. Local producers of generic drugs already available would be unaffected.

It would take at least another ten years before a new patented drug could be sold locally, given the lengthy research and development period required to develop a drug, test it, and produce a pharmaceutical product from the active ingredient, according to Vanida.

Farmers Demand Government Help on Rice Prices

91SE0119A Bangkok *KHAO PHISSET* in Thai
28 Jan-3 Feb 91 pp 24-28

[Excerpts] [passage omitted] The price of the paddy being sold to the rice mills by farmers at the beginning of this production season (1990/1991) is very low. The average price of Jasmine paddy is 2,800-3,200 baht per kwian (1 kwian equals 1,000 kg) as compared with 42,00-5,000 baht per kwian last year (1989/1990). At the same time, production costs, including tractors, chemical fertilizers, insecticides, and labor, are higher than last year (the main reason why labor costs are higher is that many laborers have left to go work in factories or to go work abroad). [passage omitted]

Professor Choemsak Pinthong, a Thai expert on rice, said that the reason why there is less rice this year as compared with last year is that approximately 7-8 million rai of rice fields in the central region have been damaged by brown planthoppers.

In the northeast, overall, the weather was very favorable for the farmers in 1990/1991 even though some localities experienced intermittent rains during the transplanting period, and the storm "Ira" destroyed some plants during the heading period. But brown planthoppers did not cause as much damage in the northeast as they did in the central region and so farmers here hoped that their rice would sell for the same price or even higher than last year. But the fact that Jasmine rice is selling for 2,800-3,200 baht per kwian has dashed their hopes.

To Earn a Profit, [Farmers] Must Sell at 9,500 Baht Per Kwian (the Price Dreamed of by Farmers)

[Passage omitted] Studies conducted in Nang Rong, Nong Hong, Lahan Sai, and Nong Ki districts in Buriram Province have shown that farmers in these districts must invest an average of 7,676.22 baht per kwian, or 1,986 baht per rai, and cultivate 6,070.25 square meters [3.79 rai] to produce 1 kwian.

"Clearly, farmers are losing about 4,676 baht per kwian. Because the average price at the rice mills is 3,000 baht. Thus, the sad thing is that farmers who have large fields and who produce much rice are going bankrupt instead of becoming richer," said an official with the Research Program To Develop Farm Cooperatives, which is a private development organization in Buriram Province. This official participated in conducting studies in these four provinces in December 1990.

Data have also been provided by the Northeast Farmers Federation. Studies on the production costs of farmers in 11 northeastern provinces who joined the federation have shown that the farmers in these 11 provinces have produced approximately 30-40 "tang" per rai (or 240-320 kg per rai). But the farmers must invest 1,285 baht per rai.

Farmers in the federation have to cultivate 3.25-4.25 rai to produce 1 kwian of paddy. Thus, they have to invest 4,015-5,220 baht per kwian, with the average for all 11 provinces being 4,617.5 baht per kwian. (The reason why the federation's production costs are lower than those of the four districts in Buriram Province is that the cost of renting the fields and the lost interest on the investment money, approximately 6 percent, has not been included.) But the average price of rice in the 11 provinces is 3,200 baht per kwian. Thus, farmers there are losing 815-2,020 baht per kwian, or an average of 1,410 baht per kwian.

Based on the cost figures of the Farmers' Federation in these 11 provinces, if the farmers want to earn a profit of 25 percent, they will have to sell their rice for 5,771.88 baht per kwian. And in the case of farmers in the four districts studied (where the cost of renting land is about 400 baht per rai and interest opportunity costs are about 450 baht per rai), the farmers will have to sell their rice for 9,500 baht per kwian to earn a profit of 25 percent. That is a price that farmers can only dream about. Considering the very high production costs, they should receive some real compensation. [passage omitted]

Financiers Are Pressing for Payment, and the BAAC Is Applying Pressure; Farmers Are Oppressed by Influential People

There are various things that have tended to keep paddy prices low, such as soft prices on world markets, cheap Vietnamese rice, which is flooding world markets and undercutting Thai rice, whose production costs are higher, the promulgation of the Farm Act by the United States, which is supporting the export of American farm products (whose costs are high and whose quality is good but which can compete on world markets only with government support), and the government's erroneous policy last year, which resulted in domestic stocks reaching 700,000 tons and which made it difficult to sell the rice. In addition to these things, another thing that has had a direct effect on farmers is the longstanding problem of local rice millers putting pressure on farmers. Most farmers have large debts. Thus, at the beginning of the production season, they have to sell their paddy as quickly as possible because of the pressure from financiers who loaned them money to plant their rice. In the northeast, this is called "February long money," which farmers borrowed during the period July-January. In some places, interest rates are as high as 150-170 percent. [passage omitted]

The government has implemented two measures that have a direct effect on farmers. One is the rice price intervention by the Ministry of Interior. The other is paddy pledges through the BAAC [Bank of Agriculture and Agricultural Cooperatives]. The government hopes that these measures will help raise rice prices. But....

The rice price intervention measures of the Ministry of Interior have shown the government's good intentions—after there have been demonstrations.

The government has authorized an initial 200 million baht to support paddy prices in 43 provinces. In particular, 20 million baht has been authorized for Buriram Province, the place with the greatest problems. In the future, it is expected that another 300 million baht will be authorized for this for a total of 500 million baht.

This shows the "sincerity of the government with respect to farmers." During the period 24 and 25 December 1990, farmers in Buriram Province twice held demonstrations to protest low rice prices. [passage omitted]

After the "mobs," 20 million baht from this program flowed into Buriram. During a telephone conversation between Dr. Anuwat and Police General Praman Adireksan, it was agreed that the amount going to Buriram would be increased to 40 million baht. And this "government sincerity toward the farmers" has "flowed" to other places where there have been "mobs," such as Roi Et, Kalasin, Maha Sarakham, and Khon Kaen. But in those provinces where the farmers have remained quiet, there has been little "sincerity."

Are there any stratagems behind this 500 million baht? "They have used this money to quiet the farmers," said

Dr. Choemsak Pinthong, an expert on rice, about this measure during a debate on the topic "The Problem of Low Paddy Prices and the Affect on Community Development" held on 28 December 1990 at the Faculty of Political Science, Chulalongkorn University. He said that actually, "the Ministry of Interior's paddy purchase measure is aimed at 'buying' farm leaders and quieting the masses. This can be called a 'fire control' measure. That is, wherever there are demonstrations, money is provided to purchase rice. The important thing is that this policy will actually 'start fires.' Because if other places want to get money, they will have to stage demonstrations."

This was clearly reflected in statements made by the undersecretary of interior, Mr. Anan Anantakun. In an interview he said that "this has been implemented in 43 provinces. In particular, 20 million baht has been given to Buriram Province, which has the most problems. This should satisfy the people of Buriram. Money has also been given to other provinces depending on the needs of the farmers (MATICHON, 26 December 1990). [passage omitted]

As for purchasing rice in the villages, instead of helping to raise prices, this has actually resulted in lower prices being paid than those paid by the mills. Farmers think that interior officials are "playing tricks." Mr. Rat Lammana, a farm leader in Nang Rong District, said that the price of Jasmine rice at the mills is now about 3,400-3,500 baht. But with the interior money, provincial officials are purchasing rice at a lower price than the mills. The district officials who have made purchases have stated that they have paid farmers 3,600 baht per kwian for their rice.

In some villages, the village committees took interest-free loans of 100,000 baht from the province in order to purchase paddy from the farmers. But they received only 98,500 baht. When the committees asked what happened to the missing 1,500 baht, the provincial officials told them not to ask and that they could either take the 98,500 baht or leave it. But after the village committees made their purchases, they had to repay the entire 100,000 baht to the provincial officials. Mr. Rat Lammana also said that his group has a receipt. There is no need to worry about "not having a receipt."

Besides this, when representatives of the 11-province federation heard the explanation given by Mr. Suphon Suphason, the governor of Roi Et Province, they became even more confused when they learned that of the 10 million baht given to the province by the Ministry of Interior to purchase paddy from the farmers, 3 million had been spent to purchase 30,000 gunny sacks. Suchat Sisang, a former demonstration leader who was one of the federation representatives, asked the provincial governor about this. The answer was, "At that time, we had not yet thought about things."

As for the 3 million baht that the farmers were supposed to have received but which disappeared because people

"failed to think," Thiraphong Phanthong, the secretary of the Northeastern Human Rights Development Association and an advisor to the federation, said that the (lack of) sincerity at the "human level" and the stratagems employed by people at lower echelons show the lack of organization, with the result that farmers were able to detect this.

The Measure To Receive Paddy Pledges Through the BAAC Has Been Criticized by Farmers, Merchants, and Academics as Ineffective.

This measure has been implemented as another financial measures. It was thought that this would help raise prices and that the mills would have to pay higher prices accordingly. This year (1990/1991), it was thought that approximately 5 billion baht would be used to receive pledges through the BAAC and that the amount of money for this would be increased from 80 percent to 90 percent of the target price, which is between 3,800-4,200 baht.

This policy has been broadly criticized for being unable to solve the problems. Professor Choemsak Pinthong said that "even though this seems like a huge sum of money, the BAAC hasn't received enough money to receive paddy pledges nationwide. This has not helped to raise domestic rice prices. It should not be forgotten that domestic rice prices are tied to world market prices." [passage omitted]

Farmers Are No Longer Afraid of the "Right Killing the Left." The "Farmers Federation" Has Been Revived.

These unbearable problems have resulted in the farmers in the northeast uniting. But this does not mean that there weren't any problems before, with the result that there was a lack of solidarity. Because in the past, when farmers tried to unite, they were labeled "red" and charged with engaging in activities supportive of a political party outside the system. Or they were criticized for being a "front" for that party.

Farmers were kept quiet for about 10 years following the killing of farm leaders. The last case involved Mr. Chamrat Muangyam in 1980, which occurred at the same time that the Farm Federation of Thailand was dissolved. But now that there is greater democracy in Thailand and because socialist ideals have gone bankrupt in the past several years, the farmers, who have been quiet for so long, are now beginning to stir again without fear of being labeled "red." [passage omitted]

The head of the Eleven-Province Northeastern Farmers Federation is Mr. Nong Naen-udon, a farm leader from Roi Et Province. This has the backing of several people such as Thongbai Thongpao, a lawyer who won the Magsaysay award, Dr. Koson Sisang, the secretary general of the International Alliance for Third World Tourism, who is from Maha Sarakham Province, Thiraphong Phanthong, the secretary of the Northeastern Human Rights Association, Suchat Sisang, a former

demonstration leader and member of the Maha Sarakham provincial council, Kasem Malaissi, a member of the provincial council, Phongsathit Sasongkhram, a member of the Roi Et provincial council, and local politicians and teacher leaders in the northeast who have "advanced" and who are still the "new hope." Today, this group has mobilized funds and is preparing to carry on a major movement.

The Northeastern Farm Action Center is composed of six districts in Buriram, Surin, Kalasin, and Khon Kaen provinces. This group is a "large circle." Today, the farmers in the movement are mobilizing paddy, red onions, and cash to establish a central fund in preparation for carrying on a "major movement."

This group consists of several groups of social activists who work in the private sector. There are teacher leaders and organizations that are said to have close ties to Instructor Tong. (The Special Branch Police are probably very familiar with this group, because during the demonstrations by farmers in six districts on 24 and 25 December, the Community Headquarters had its telephones cut.)

Mr. Charown Mandi, the chairman of the central committee of the Northeastern Farmers Group, is the leader of the nine-province Northeastern Farmers Group. It is unclear who supports this group. But the leaders of this group claim that they are concerned only about low rice prices. "We don't have any other objectives."

Other groups include the Roi Et Farmers Group, which is led by Mr. Pramun Sanaopheng and which has told the government that it will have farmers burn their rice if rice prices remain low; the Buriram Farmers Group of Newin Chitchop, an MP from Buriram; the Ubon Ratchathani Farmers Group of Tanghua Chaisiriruangkanaset; and farmers groups established by members of the Social Action Party in the northeast and other local politicians. [passage omitted]

Suddenly, after the formation of farmer groups in the northeast, the minister of interior, Police General Praman Adireksan, a former leader in the "right kill the left" movement, said that "the formation of these groups is not a united effort. It can't be said that they represent farmers nationwide. Their demand that rice prices be guaranteed at 5,500 baht per kwian is similar to the demand by laborers for an increase in the minimum wage. No matter how much prices are raised, they are never satisfied." (SIAM RAT 6 Jan 91) He also said that "organizing a mob is not easy." (MATICHON 24 Dec 90)

Thus, it seems that there is much concern. The degree of concern of the interior minister can be measured by the statement made by Mr. Anan Anantakun, who said that "at a meeting of deputy undersecretaries and other senior ministry officials, officials were ordered to take action to learn what is happening throughout the country. For example, they must find out if people are uniting and what government actions the people are

unhappy about. The government must analyze the situations that have arisen. The provinces must send reports to the Ministry of Interior before 1000 hours daily. Each province must monitor the situation 24 hours a day just like police officials at police stations. There will be a major center in Bangkok." (MATICHON 5 Jan 91) [passage omitted]

The demands made by the various farm groups are very similar. For example, they have made the following demands:

1. The price of Jasmine paddy should be guaranteed at 5,500 baht per kwian, and that of "luang" rice and glutinous rice should be guaranteed at 5,000 baht per kwian. The government should allot funds to purchase rice from the farmers directly or through the subdistrict councils and not through other organizations such as the BAAC or the Marketing Organization for Farmers as in the past.

If the government doesn't have granaries to store the paddy, the farmers will be glad to store the rice in their granaries (like pledging rice) and charge a fee for this just like the mills and rice exporters.

2. The government should take responsibility for the fact that the 1989/1990 rice policy contravened the rice pledge policy, which resulted in farmers losing 400-900 baht per kwian. The government should pay farmers at least 800 baht a ton in compensation for their losses.

The BAAC should do away with some of the conditions that prevent poor farmers from benefiting from rice pledges. That is, the BAAC has stipulated that farmers must have permanent granaries to store paddy. Because of this, poor farmers have to sell their paddy at very low prices. Because they don't have permanent granaries, they don't meet the criterion set by the BAAC. The government should provide money to pay compensation because of the erroneous policy.

3. The government should not force farmers to pay their long- and short-term debts to the BAAC until the government has solved the problem of low prices for paddy and other agricultural produce and the farmers are in a financial position to pay their debts.

4. The government should announce prices for paddy and other types of crops before the production season in order to give farmers greater confidence.

5. The government should implement measures concerning the cost of producing rice and other crops to help the farmers. For example, the government has the BOI [Board of Investment] and various measures to support investors in the industrial sector.

The government should consider its public policies based on the principle of giving priority to the majority of people in the country. This does not mean that the government should not support the industrial sector. But

the government must give priority to supporting farmers, who account for the majority of the people in the country.

6. The government should build irrigation systems in order to increase yields per rai and reduce the risks faced by farmers.

7. The government should promulgate a social insurance law that covers farmers, too.

Following demonstrations in various places and at the Government House, in the end, the cabinet issued the following resolution on 15 January 1991:

1. To compensate farmers for their losses if they sell at prices below those of the BAAC.

2. To pay interest on behalf of the farmers to the BAAC in receiving paddy pledges without charging interest.

3. To pay interest on behalf of farmers to the BAAC in cases in which the bank has granted credit to farmers to plant other types of economic crops, with interest rates set at three and five percent.

4. To have the Ministry of Commerce borrow 1.3 billion baht from the Krung Thai Bank in order to purchase rice and, if there are losses, to establish a fund to pay compensation.

5. The Ministry of Commerce has asked permission to establish an organization to intervene in purchasing rice at the beginning of the season and in taking steps to have this rice exported abroad.

Will the 10 billion baht help the farmers, or is this just a trick?

Just after the cabinet issued this resolution, on 17 January 1991, leaders in the Farmers Action Center in Four Northeastern Provinces and the Northeastern Farmers Federation sharply criticized this cabinet resolution. Mr. Thiraphong Phanthong, an adviser to the federation, said, "Let's look at each of these measures. I will clarify the cabinet's points for you."

"With respect to Point 1, it seems as if the government is responding to the demands made by the farmers. But the truth is, the BAAC is receiving pledges at prices below those announced by the government (3,800-4,200 baht per kwian). Mr. Nong Naen-udon, the chairman of the federation from Roi Et Province, met with officials from the BAAC, which is paying only 2,200-2,500 baht per kwian even though we referred to the fact that the government said 3,800-4,200 baht.

"If they do things like this, the government will have problems finding the money to compensate us. That is, it will have to pay compensation of 2,200 baht.

"Point 2 makes it quite clear that no interest will be charged. They seem to be helping the farmers. But actually, they are taking the money from the Farmers

Welfare Fund, that is, money from the rice premiums, which means that the farmers are paying this indirectly.

"Point 3 makes it clear that the government is making low-interest loans in order to induce farmers to stop growing rice and engage in other activities. What does it want them to grow? Prices of soybeans, cassava, and corn are all depressed. Prices have all declined. And I can assure you that those who are granted loans will not be poor farmers.

"Instead of solving the rice problem, they have said that rice prices are low and so people should plant other crops even though the data clearly show that this year's rice yields dropped 700-800,000 tons because of the damage done by planthoppers in the central region. They have said that if much rice is planted, prices will be low.

"Points four and five are very clear. Those who will receive large amounts are a few privileged exporters and rice mills. Things have grown worse every year. Almost nothing trickles down to the farmers. They take money from the people of the country and give it to a few families," said Thiraphong Phanthong. Because farmers feel that they have been cheated, they are now uniting to take action.

During a seminar at Chulalongkorn University on 28 December 1990, Professor Choemsak Pinthong said that "the government has created a false picture. It has said that it is spending billions of baht to raise rice prices. But the government can't increase world market prices. The government is just doing a 'song and dance.' It has made it seem as if it is investing a large amount, but in reality, it is doing very little. The things that it has done are just for show. Farmers don't have any economic and political influence and so the government isn't actually spending huge amounts to raise rice prices." That was the frank conclusion of Professor Choem.

Farmers Have "Joined Hands" and Have New Hope

However, the attempt by farmers to build bargaining power has begun to take concrete shape in the northeast, and their movement is growing stronger and stronger. They have mobilized large amounts of money to wage a struggle and formed a strong farmers movement throughout the northeast (and an attempt is being made to revive the Farmers Federation of Thailand). Also, the masses are being educated in conditions in which there is a more "open democracy." [passage omitted]

Chare: Commerce To Hire Legal Consultant

91SE0152B Bangkok MATICHON in Thai 11 Jan 91
p 4

[Unattributed report: "Preparations Made To Hire Legal Consultant To Handle the Problems of International Trade"]

[Excerpt] [passage omitted] Mr. Chare Chutharotnakun, the director of the Department of Foreign Trade revealed that the department has adopted a policy of hiring a legal adviser in Thailand to represent it in talks with foreign countries concerning legal matters related to trade; for example, a tariff on fabrics imposed because of export subsidies (CVD), etc. This legal consultant would have to have a partner abroad—in the past legal consultants had been hired abroad but the firms involved had used legal authorities with little experience to do the work. In addition in the future talks concerning international trade problems will be carried on primarily at the legal level; hiring a legal consultant would be better than using government employees who already have work to do, and it would increase Thailand's legal capabilities.

Mr. Chare also said that the legal consultant would begin work with the talks on fabrics between Thailand and the United States, which will open on 28 January in Geneva, Switzerland. [passage omitted]

POLITICAL

Contributions of Ideas to Party Draft Documents

912E0116A Hanoi NHAN DAN in Vietnamese
15 Dec 90 pp 1, 4

[Article by Le Huyen Thong]

[Text] We have listened to people's reactions and received more than 60 reports from party chapters and party organizations in central organizations and a number of provinces and cities that have evaluated the results of the debates to contribute ideas to the draft documents of the Seventh Party Congress. In general, the striking thing at these bases is that the debates and discussions were characterized by an air of democracy and openness. Many people expressed their views frankly, either for or against, and proposed various revisions in order to perfect the draft documents.

In Phu Xuyen, the district party committee guided the party members in clearly defining their viewpoints and ensured that their understanding was closely tied to actions after contributing ideas to the draft documents. For example, if people in a place agreed with the draft program on "doubling the per capita income as compared with today," the people there also discussed how to hit this target.

A number of party organizations in ideological-cultural organizations and central science and education organizations made good preparations. They gave attention to training talented speakers with a spirit of responsibility and the means to enable people to understand the party's viewpoints mentioned in the draft documents. In Hanoi and Ho Chi Minh City, a number of sectors invited a number of high-level leadership cadres and economic specialists to introduce the draft documents, and they gave attention to obtaining the views of a number of intellectuals, artists, writers, and reporters outside the party. In Ha Son Binh, the secretary, deputy secretary, and head of the Department of Propaganda and Training of the Provincial CPV [Communist Party of Vietnam] Committee introduced the draft program and strategy at a number of units in order to gain experience so that they could guide the various echelon organizations in contributing ideas based on grasping the key points of the documents in order to achieve practical results.

The results achieved were uneven. A number of party organizations, particularly in the rural areas, that held meetings to contribute ideas did not achieve good results, because they did things superficially and carelessly. Many places are still confused about how to organize the people to contribute ideas to the congress documents. One reason for this is that these activities were carried on at a time when the bases were concentrating on solving the urgent problems. Preparations had to be made in a very short time, and many documents had to be discussed at one time. At the same time, the questions raised in the draft documents required that those contributing ideas be intelligent and have practical

knowledge concerning political, economic, and social matters. The main reason why these party organizations achieved poor results in organizing things to contribute ideas to the congress documents was that they had not done a good job in training speakers and selecting cadres to run the meetings or monitor the discussions at the bases. The localities and a number of party organizations in central agencies have learned the following lessons:

First, a number of speakers do not have a firm grasp of the key issues in the draft documents. In Ho Chi Minh City and Haiphong, in subwards that organized discussions on the draft strategy, when the issue of a multifaceted commodity economy was discussed, a number of party members asked about the difference between a socialist commodity economy and a capitalist commodity economy. Some of the speakers were perplexed about this. In Hanoi, some speakers mentioned erroneous views in society but did not present a clear analysis. This left a number of youth union members perplexed and confused.

Second, the documents were introduced in order to guide the discussions. The first requirement was to enable the party members and masses to clearly understand the viewpoints and lines of the party mentioned in the draft documents. But when introducing the documents, a number of speakers, particularly in the villages, talked too much about the specific situation in the country and current events in the world.

These "digressions" made it difficult for the listeners to grasp the guidelines in order to contribute ideas to the draft documents.

Third, a number of the cadres sent to manage the meetings and monitor the discussions at the party organizations did not have the standards and capabilities to grasp the problems or fully understand the ideas contributed by the various targets. As a result, the discussions became disorderly, and the reports on the results of these activities usually focused on giving numbers and discussing the specific situation in the locality instead of clarifying the various viewpoints and the proposals made concerning the documents.

Fourth, the party member structure in the subwards and villages is totally different from before. More and more middle- and high-level cadres are retiring. A number of localities sent cadres who did not have adequate standards to introduce the draft documents at the bases. This limited the contribution of ideas. The Standing Committee of the Nghe Tinh Provincial CPV Committee has guided the districts in overcoming this shortcoming.

Today, provincial party committees have begun learning the lessons from the test units. They are giving much attention to training speakers who have adequate standards, the ability to make the people understand the party's viewpoints mentioned in the draft documents, and the ability to organize discussions in line with the

various types of targets in order to have high quality. The important thing is to clarify the new problems when introducing the documents.

Hanoi CPV Committee Contributes Ideas to Party Documents

912E0117A Hanoi NHAN DAN in Vietnamese
27 Dec 90 p 1

[Article by Nguyen Anh Binh]

[Text] At the invitation of the Hanoi Municipal CPV [Communist Party of Vietnam] Committee, a large number of intellectuals, businessmen, and other people attended a debate and contributed ideas to the draft program and socioeconomic strategy in preparation for the Seventh National Party Congress.

With the knowledge accumulated over many years in their positions in many scientific sectors and business circles, many of the older scientists and businessmen, who lived during the period before the August Revolution and during the years before the capital was liberated and from 1955 on, were able to draw comparisons and evaluate the achievements and difficulties and the mistakes mentioned by the party in these two draft documents. Some of the ideas were quite profound and general in nature. Starting from their own specialized knowledge, people went beyond the immediate situation. Phung Quang Minh, a manufacturer and former secretary of the Standing Committee of the Hanoi Industrial and Trade Federation, raised the problem of "confidence" in building the economy. He discussed what can be done to generate confidence and continue operations for a long time and expand both inside and outside the country. A body of economic laws must be perfected. If there are not enough laws to manage the economy in accord with the law, the loopholes will cause much damage for the state and for commercial producers and limit investments by domestic and foreign elements. No one will dare invest here unless there is a legal system to provide guarantees. As for the foreign economy, foreigners should be encouraged to invest here in the commercial production sectors with the greatest advantages that can soon return a profit to the investors. They should not be given just the "bones." If things get off to a bad start, there will be great difficulties later on. National interests must be maintained through regulations based on the law, not prohibitions. Naturally, we must maintain our security and sovereignty. There must soon be synchronized plans to systematically train cadres and skilled workers and personnel. Among these, the most important are professional accountants, those who speak other languages, and people whose skills match the needs of international business. Having such people will prevent us from being "tricked" and also give foreigners confidence in our professional system.

Vu Ngoc Khue, the former head of the Legal Department of the Ministry of Finance, discussed the establishment of a legal state, including the concept of a "state of the

people, by the people, and for the people." There must be a general policy concerning national finances. This should go beyond the narrow concept of capital. The national financial policy will determine whether the economy prospers or deteriorates. A balanced budget from the central echelon to the village echelon is just "one purse" of the Vietnamese state. It's irrational for a poor country to have a budget that is divided up into hundreds of "purses." In short, every economic and social plan must accurately consider what our country has, how much it has (assets, resources, capital), and what it lacks. That is the basis for setting directions. Because of this, it is wrong to divide the capital and assets by having localities balance the budgets themselves. Studies must be done to soon have a private accounting system in the banks and limit the use of cash as at present. These are measures to fight inflation and make more effective use of the people's money.

As for the leadership of the Communist Party of Vietnam, almost all of the people said that there was no need for a debate. Nguyen Quang Huong, a communications and transportation engineer and an outstanding teacher, Vu Duy Thai, the director of the privately-owned Thai Thanh Enterprise, and Bui Xuan Bich, the director of the HAFUCO Corporation, said: Even though some party members have engaged in corruption and weakened the people's confidence, the party's prestige cannot be overturned, and no political force has the "political capital" to replace the party. There are only a few people who say such things, and this has exposed them as opportunists. The people know who they are.

Almost all of the people present said that these two documents must manifest more deeply the concept of strategic guidance on training the new socialist man. The Vietnamese people have inherited the nation's traditions, and they are tied to the factors of the present period. Those present agreed that the party did the right thing in mentioning the family factor, with its credentials as the cell of socialist society, in training the new generation of people. Phung Quang Minh said that with respect to the party's strategy of "cultivating people," as President Ho taught, the important thing is to do this through the "family cell." The decisive thing for the 21st Century is to start from this problem beginning now. Nguyen Huu Can, the deputy editor-in-chief of MAN ANH-SAN KHAO HANOI, suggested disclosing the amount of budget funds invested in the cultural, arts, education, and training sectors, because that is a way to measure their position in the strategy of "cultivating people." Dr Nguyen Thin and Dr Nguyen Kim Chung spent much time analyzing this problem and expressed concern for the health of Vietnamese children and youths, the ranks of doctors and instructors, and so on. Everything is for the "strategy of man" as proposed in the draft documents, but things must be expressed more clearly and in a more persuasive manner. Because this concerns the "nation's fate."

One person who proposed supplementing the draft program was To Van Pho, the head instructor at the capital

Cao Dai pagoda. He said that on the evening before the CPV Committee meeting, people at the Cao Dai pagoda held a discussion that lasted late into the night. They selected him to come to this meeting to propose adding the word "real" to the phrase "preserve religious freedom" in order to distinguish between religion and superstition, which is now posing a rather serious threat and causing many negative phenomena for society.

Those attending the discussion agreed with the closing statement made by the secretary of the CPV Municipal Committee. He said that contributing ideas does not stop here. There are still many other problems. There are gifted intellectuals, highly experienced businessmen, and specialists in many sectors in the capital who want to contribute to the party and country. The Municipal CPV Committee is responsible for gathering ideas in order to submit reports to the central echelon, contribute to improving the documents, and finding the most suitable steps and measures to help the country advance on the path chosen by President Ho.

Thai Binh Province Contributes Ideas to Party Documents

912E0120A Hanoi NHAN DAN in Vietnamese
31 Dec 90 p 1

[Article by Vu Kiem]

[Text] Almost 90,000 party members and tens of thousands of other people from various cities traveled to the rural areas in Thai Binh Province to participate in discussions on the party's two draft documents. By 15 December 1990, the districts, cities, and directly subordinate party committees had finished introducing the documents to the party members. Many rural party chapters in Hung Ha and Vu Thu districts and a number of enterprises, organizations, and sectors subordinate to the province contributed ideas to these two documents. The atmosphere during the discussions at the party chapters was enthusiastic and serious, and the people participated with a sense of responsibility.

From following the discussions at a number of types of party chapters (rural party chapters, research organization party chapters, and party chapters in intellectual circles), we saw that in general, people lacked confidence in the [party's] ability to organize and implement things. This is because the scientific basis and material conditions mentioned in the documents do not have a firm basis or sufficient persuasive power.

As for the name of the program, some people said that this should be called "The Program of the Socialist Revolution in the Transitional Period" or "The Program To Build the Country During the Transitional Period."

The great majority were in agreement about the achievements of our country's revolution under the party's leadership, but they said that the analysis of the mistakes is still too simple. The party's mistakes were mistakes between targets and means, and these mistakes held back

the expansion of production for a long time. Some said that the party's shortcomings and mistakes were primarily in the socialist revolution.

As for the lessons learned from carrying on the revolution in our country, many people said that only four lessons should be discussed. Lessons four and five should be combined into one lesson containing two ideas: the leadership of the party and maintenance of party solidarity and unity. Some people suggested placing the lesson on the party first.

In the third section, many people suggested eliminating the phrase "is a problem of a regulatory nature of the socialist economy" in the sentence "expand the commodity economy...[and] implement a market mechanism managed by the state." Because developing the commodity economy is the path to large-scale production of all economic and social structures, including capitalism and socialism.

Regarding the section on a commodity economy having a multi-faceted structure, many people suggested mentioning that the individual and private economies will survive for only a certain period. Or they said that the length of these periods should be determined. At the same time, it should be clarified whether the state economy provides guidance in all respects or just in a number of key sectors and elements at the central echelon and in the localities.

One question that was discussed a lot was, Is manpower a commodity? A number of people said that manpower can be considered to be a commodity only if it is viewed from each angle. A number of other people said that during the initial stage of the transitional period, manpower must be a commodity, because the economy contains many elements. This problem is related to the coming revision of the party statutes. Many people said that party members should be allowed to engage in private economic activities within the framework of the state's laws.

As for the arrangement of the program, many people said that security, national defense, and foreign policy should not be combined together. These should be divided into two separate sections. Some people proposed combining sections 1 and 2 and sections 5 and 6 in order to make the contents more concise.

As for the draft economic strategy, some people said that with respect to the targets to the year 2000, a paddy yield of 30 million tons and a per capita income double that of today are too low. But the majority said that a target of 30 million tons of grain is too high. Because from 1991 on, we will encounter many difficulties in providing capital and materials for agriculture. And this does not include the fact that natural disasters and the degree of equality between regions affects crop yields.

With respect to the basic principles for resolving the basic conflicts of society in the transitional period, many

people said that the program does not mention promoting agricultural production. Thus, they proposed adding: "Expanding the production forces based on promoting agricultural production and implementing the key tasks is the way to industrialize the country."

Understanding Party Documents

912E0105A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 28 Dec 90 p 2

[Article by Professor Ta Van Thanh, Economics and Social Welfare Department, Ho Chi Minh City Municipal CPV Committee: "Understanding Draft Seventh Congress Documents; Overcome Erroneous Conceptions in Perception of Socialism"]

[Text] Two drafts, "Principle for Building Socialism in the Transitional Phase" and "Strategy for Stabilizing and Developing Our Country's Economy and Society to the Year 2000," have just been made public so our entire party and people can take part in contributing views.

The two documents embody our party's new conception on the principled matters of the effort to build socialism. To thoroughly understand the party's new conception about the special features of socialist construction and about fundamental principles which are aimed toward resolving our society's basic contradictions and bringing our country firmly forward to socialism, it is necessary to clearly identify the former model of socialism and sever it from the backward conceptions in our perception of socialism.

In the draft "Strategy on Stabilizing and Developing Our Country's Economy and Society to the Year 2000," the party has clearly analyzed that the principal reason for the socioeconomic crisis that has been going on for many years now is mainly in that we have built socialism according to a model heavily characterized by dogma, replication, and voluntarism, and typified by concentration on: inclining the economic structure and investment structure toward development of heavy industry, and fondness for large scale and expanding construction; hurriedly eliminating economic forms that rely on systems of private ownership of the means of production, and development of the national economy and the collective economy emphasizing form; a system of management that relies on a centralized planning structure by means of administrative orders and material relations, denial of a commodities economy and market structure, and bureaucratic, cumbersome, and ineffective organization. These errors have held back the forces of production and many moving forces for development.

Our erroneous viewpoints originate with the incorrect viewpoints and incorrect ways of many socialist countries. We might summarize the main errors in the conception of socialism as follows:

First, confusion about the objective and means. Actually, the objective of socialism must be man being liberated, the individual being developed totally and

comfortably, everyone having a rich material and cultural-spiritual life, and guaranteed social justice and democracy. Thus, man is the target and, looked at in another aspect, the moving force of the socialist revolution. But there have appeared erroneous viewpoints and erroneous ways in a number of countries: regarding man as the means, man for socialism (socialism here being confused with the means for building it such as the ownership system, the distribution system, etc.), not socialism for man.

Second, from mixing up the objective and means as mentioned above to mixing up the objective and means at the lower level. This is to regard reforming production relationships as the objective when in fact it is only the means aimed toward developing the forces of production. (And, in the final analysis, developing production is also for man, and serving man and the economy is for man not the economy for the economy). For a long period of time we have thought in many countries that the higher the level of public ownership the purer the socialism and, as a result, have anxiously eliminated, the faster the better, every form of private ownership and private and individual economy regardless of the level of development of the forces of production. This conception does not make the development of the forces of production the standard for evaluating the effectiveness of reforming production relationships and, from this, moving toward the point of not being fully attentive to developing the forces of production, not considering this to be the important aim of society's progress, a firm guarantee for victory of the new social system over the old one. This conception has created remoteness and difference between production relationships and the forces of production.

Third, socialism in reality is successful first of all in countries with an undeveloped economy, but the dogma of adhering to the principles of socialism established on the basis of large-scale, highly socialized production, as Marx and Engels espoused, has anxiously eliminated the rule of value, denied the commodities economy and market structure, used administrative orders to interfere in the economy, and built a management system highly concentrated on direct regulatory planning and material relationships. The result is that many moving forces for development are being held back.

Fourth, because of voluntarism, anxiousness, and wanting to quickly catch up with highly developed countries, many countries have been overly inclined toward developing heavy industry in setting up the economic structure and investment structure, causing a serious imbalance in the economy, scarcity of consumer goods, and difficulties in creating work and jobs for laborers.

Fifth, in building the new political system a number of countries have incorrectly handled the relationship between the communist party and the state and have state-ized the role of the party, making the leadership and management structure bureaucratic, cumbersome,

and ineffective. Furthermore, anxiousness to publicly own the means of production, deny the commodities economy, and maintain the administrative structure of favors, special privileges, and special interests have further exacerbated bureaucratism, corruption, and loss of democracy. The remnants of feudal thinking are also the good ground for the aforementioned diseases to thrive. The state still seldom relies on the law to manage and operate society and still lacks concern for formulation of the law. There are good aspirations and motives in democratizing life and society but failure to satisfactorily build a mechanism that can really ensure democracy and citizens' rights, especially failure to satisfactorily build mutually dependent and productive relationships among legislative, executive, and judicial organizations.

Sixth, in the area of culture and in the area of spiritual life there are a number of countries that place more emphasis on the spiritual life of the collective and give less attention to the very subtle and diverse cultural and spiritual needs of the individual. They lack monies for material things and the spirit to develop individuality and build unique, rich, and creative cultural capabilities. This has also given rise to the erroneous tendency—total politicizing of cultural and political life. Many countries also fail to satisfactorily handle the dialectical relationship between class and mankind, national and international in the development of culture. They have sometimes excessively emphasized the class factor and national factor, tended toward temporary assignments, separated development of the socialist culture and national culture from the general world culture and, in particular, arrived at an attitude that negates all the achievements of civilization mankind has created in the capitalist system. There also has emerged the erroneous conception that the area of culture and education is unproductive and, consequently, no attention to investment at the proper level has been given it, only reserving for it the "remaining portion" of the budget and creating a situation for development that lacks contentment, lacks synchronization between the culture and the economy, and causes losses not only for cultural development but also for economic development. There is also a need to overcome narrow outlook and the averageism of the small farmer vis-a-vis knowledge, to perfect intellectual policies, and do everything possible to keep up with developing countries in scientific and technical progress.

Thoroughly criticizing and overcoming erroneous and backward conceptions in the perception of socialism is one of the important conditions helping us to thoroughly understand the party's two aforementioned draft documents and contribute to successfully building socialism in the transitional phase of our country.

Writer Duong Thu Huong's Letter of 'Self-Criticism'

912E0122A Paris DOAN KET in Vietnamese Nov 90
pp 33-36

["A Self-Criticism" letter by Duong Thu Huong: "I Committed a Crime of Being Too Naive and Gullible"]

[Text] As reported by DOAN KET in September 1990, the writer Duong Thu Huong was expelled from the Communist Party of Vietnam at the beginning of July 1990. That was the decision of the Ba Dinh Ward CPV [Communist Party of Vietnam] Committee following many meetings of the Feature Film 1 Studio Party Chapter. According to reliable news sources, at this meeting, six party members voted to expel her, and five voted against that. To help readers understand the nature of this argument, we are publishing the complete text of a letter that Duong Thu Huong sent to the Film Studio Party Chapter. (The footnotes are those of DOAN KET.)

Hanoi, 30 May 1990

From: Party Member Duong Thu Huong

To: Feature Film Studio 1 Party Chapter

Dear Comrades,

In accordance with the request of the committee, I am sending you this letter. The contents of this letter will follow the points in the committee's letter of 19 May 1990, which was signed by Party Chapter Secretary Nguyen Dan Thanh. I hope that you will read the letter and make suggestions. I hope to receive some intelligent comments in order to improve myself.

Point 1

In an interview on 12 May 1989¹, I said that the adoption of Marxism in Vietnam (as reality has shown) was a luxury. The Vietnamese nation was born from a colonized country. A colonized people includes many classes of slaves. In a colonial society, the economic and political conditions do not permit the formation of class groups in the original sense of the term. Applying the principle of class struggle to such a collective will just lead to fratricide, the destruction of great traditional spiritual capabilities (such as a spirit of solidarity, traditional values, good morals and customs, the spiritual ties of the collective, and so on), and the destruction of economic development potential. (Land reform destroyed the middle peasants, the primary producers in the rural areas. The reform of capitalism and private business in the north in 1956 and in the south in 1978 crippled the businessmen and industrialists, the foundation of industrial and urban economic development.) Why do I think this? My views are based on the writings of Marx:

1. No social form can be eliminated before the great space that that social form opened up for the production forces.
2. Similarly, new and higher production relationships can never appear before the material conditions necessary for their existence have ripened in that society.
3. Thus, mankind will only pose tasks for itself that it can carry out. Examining things closely, it can be seen that

tasks appear only when the material conditions necessary for their completion are present or when those material conditions are at least in the process of being formed. [Karl Marx, "Critique of Political Economy," Su That Publishing House, 1962, pp 5-6]

Thus, according to Marx, production relations stem from the production forces. They are a specific socioeconomic form in accord with the level of development and nature of the production forces. They are the child of the production forces. But when Marxism was imported into Vietnam, the results were considered to be preconditions, and the preconditions were considered to be results in accord with the ultra leftist tendencies of Stalin and Mao. Our party imposed a socialist, and even communist production relationship as the precondition in the hope that this would pull along the production forces, which were in a backward state (feudal and petty bourgeois). Clearly, the important theory of Marx was greatly altered. The failure of the economic policies based on a reverse model and the products of ultra leftist thinking are a painful lesson that have pushed back Vietnamese society and the socialist system in general several decades as compared with the advances of mankind worldwide.

Point 2

In my interview of 12 May 1989² and my response to cadres of the Organization Department of the Central Committee on 1 March 1990³, I rejected the principles of dictatorship of the proletariat and democratic centralism because:

In a socialist structure (all-people ownership), there are only two things that can happen:

- (a) Either all the people are members of the proletariat,
- or (b) None of the people are members of the proletariat.

According to (a), it's because no one has ownership rights to the means of production (mines, factories, fields). According to (b), it's because assets are not regarded as means of production, with assets including ordinary items (money, stores, clothes, conveniences, and so on).

Second, ever since Marx wrote the "Communist Manifesto," the concept of the proletarian class has undergone changes that could not have been imagined. "A century ago, British workers asked that the work day not exceed 18 hours" [according to TUAN LE, issue No. 44, 1989, p 2]. And "today, the 44-hour work week in the Soviet Union is the longest work week in the world" [according to TUAN LE, issue No. 40, 1989, p 7].

In England, the number of workers who are buying shares in enterprises is increasing. Only 17 percent of the population is poor. Because of relying on the 17 percent who are poor, the communist party in England has suffered defeats in recent elections.

Because of the great social changes that have taken place, the mechanical application of the principles and viewpoints of a hundred years ago will have negative consequences.

In real life here, I have met many poor workers. They, the Vietnamese proletariat, stand in the mud at the Buoi, Ngoc Ha, and Xanh markets and countless other nameless markets around the city in order to sell matches, soap, pants, and shirts. They stand there with pained expressions imploring people to buy their goods. For four months, these proletarian people don't earn any wages. Instead of paying them salaries, factories give them unsalable products. I have met other members of the proletariat who, because they are poor, have had to steal cement, iron, and timber from work sites and who have been imprisoned for this. The number of prisons filled with these people have increased. Do they, the proletariat, have dictatorial rights over anyone? No! Those are fine but immoral words. In reality, there is only the dictatorship of the bureaucracy with respect to the proletariat and other classes of people.

The principle of democratic centralism is a principle that leads to dictatorship. Mankind has experienced many disasters, but no disaster has been as terrible as those brought about by red dictators. The past several thousand years of Asian history have reverberated with curses at the barbarity of the [Chinese] Emperor Qin Shi Huang. Because the people hated him, they desecrated his tomb. Through the ages, his name has been a symbol of terror. However, except for those who had their heads shaved and smeared with ashes and who were forced to build the Great Wall, Qin Shi Huang executed only 460 people (by burying them alive at Ham Duong) (data of Will Durant, page 116).

But what about Stalin? During the time of Stalin:

Number of people executed: 1 million

Number of people who died in prison from 1937 to 1983: 2 million

Number of people imprisoned: 8 million

This does not include the 10 million peasants in 1.1 million households who were classified as Kulaks. Their property was appropriated, and they were exiled to wilderness areas. (THE GIOI MOI, No. 4, 1989)

I don't want to cite the bloody figures for the Cultural Revolution in China. The figures show a terrible picture of a society molded by the hand of the dictator Mao.

The reliable data of the past have been verified. There can be no dispute about the corruption of a few power-holders and the terrible things that they have done to their people. Thus, I have to reject the principles of dictatorship of the proletariat and democratic centralism. That does not mean that a country built on these two principles will necessarily give rise to a Stalin or a Mao. But only when these two principles are present can a Stalin or a Mao arise. I think that a true revolutionary

must love his nation. He must work to eliminate possible dangers and give attention above all to the interests of the people instead of worrying about the status and prestige of his party or himself.

Point 3

On 8 April 1990, in a speech given in Ho Chi Minh City⁴ I discussed the idea that the reason why communism has attracted people is that it has promised them a just world. The revolution carried along millions of people through great difficulties and death to victory because the revolution was carried out in the name of justice. It looked forward to building a society in which there was equality, freedom, and fraternity. A phrase in the "Internationale" (I don't know if this is a result of the translation or if it is in the original) says, "This struggle is the final battle.... Countless rights will be in our hands...."⁵ The phrase of a reactionary nature became the lofty target of the revolution. Because, a class that wants to carry out a revolution and seize power in order to gain "countless rights in our hands" will create new injustices and cruelties. The new injustices that are more fatal. There will be another revolution to regain the powers that were lost. This vicious circle will confine mankind to a life of blood and tears. Thus, I think that a true revolution must have equality, freedom, and fraternity as its targets. It cannot give attention to the interests of just one class but must give attention to the interests of all people in society. It cannot suppress people in a bloody pool of hatred but must raise the level of social development of human civilization. It must not incite people to steal or grab even *one* dong from each other. The key problem is that it must enable society to produce *many* dong.

Point 4

Did my speech of 8 April 1990 reject the past? Did it make use of open democracy to plant doubts in the minds of the masses about the leadership of the party? I think that only a crazy person would raise his hand to block out the sun and then say that the sky was dark. Similarly, only a crazy person would hold a firefly during the night and say that morning has come. Truth is the greatest strength. Truth is the first one to make a declaration and the final judge in history. The objective laws of life can smash the willpower of a party, of a system, or of a national leader, let alone the subjective ideas of an insignificant and powerless person such as I. Try to look back. We cannot doubt the good will of those who created the socialist system. They certainly dreamed of building a perfect social system:

- A society a million times more democratic than bourgeois democracy.
- A social system symbolizing materialism.
- Superiority concerning human rights.
- Superiority for spiritual and moral values.
- Manifestation of a collective spirit.
- Superiority concerning the creativity of intellectuals.

- And the key point, superiority concerning labor productivity.

But reality has shown that socialism has:

- Become entangled with the problem of democracy.
- Violated people's human rights.
- Stunted the creativity of intellectuals.
- Corrupted morals.
- Worshiped individuals, idealism, and voluntarism.
- And the key thing is that labor productivity and the quality of the products produced have clearly declined.

The entire socialist system in the past several decades, with mass means of information and state organizations to run them, has spread propaganda about and implemented an idealistic social model. But everything has had to retreat in the face of objective reality. An ordinary person such as I cannot plant doubts in the minds of the masses about the leadership of the party. Both the glorious pages of the party's history and its failed policies exist simultaneously like actual entities before all the people. No one individual can change the judgment of history when it is based on the greatest strength—the *truth*.

As for public opinion about me, I would like to discuss this concretely. Three months before I traveled to southern Vietnam, many people had heard that I had been jailed. Every week, readers asked about this. They remembered many past incidents and were worried and afraid. This is easy to understand. Like a social structure, when millions of people in the Soviet Union and China were secretly arrested and imprisoned or executed without a trial, such societies cannot help but create obsessions. People probably remember the following incidents:

Demian Bedny, a poet and friend of Lenin, had to stop writing in 1930. He was expelled from the party and from the Soviet Writers Association.⁶

Emeliakov, a Pite worker who hid Lenin at Razolip, was arrested in 1935.

A.V. Sotman, a veteran Bolshevik who in 1917 was the only liaison between Lenin and the Party Central Committee, who kept Lenin's activities secret, and who organized things for Lenin to travel from Razolip to Finland, was killed in the Terror. (Roy Medvedev, ZNAMIA (Banner), No. 2, 1989)

And in Vietnam, more than 100 people were secretly arrested after the Ninth Resolution, but they were never tried.⁷ As for writers and artists, the writer and translator Vu Thu Hien⁸ and the poet Hoang Hung⁹ were arrested. Both were arrested for bicycle collisions, taken to public security stations, and then imprisoned for many years—one for nine years and the other for three years.

Because of such past obsessions, the people have become fearful and suspicious, and the inferences have given rise

to various rumors, as everyone. Now, to stamp out such opinions, the state should abolish its Machiavellian policies and administer things well and openly in accord with the laws. When it does that, it will win good fame, and public opinion will improve.

Point 5

Finally, the committee asked me to examine my concept of organization and discipline. Article 18, Section II, in the Party Statutes stipulates that "party organizations and party members must speak and act in accord with the resolutions of the party. They must not give erroneous explanations...."

However, in reality, the following phenomena have occurred not once but many times:

- Previously, the CPV Central Committee disciplined Kim Ngoc, the secretary of the Vinh Phu Provincial CPV Committee, for implementing contract measures to solve the problems in agricultural production. After that, the party itself promulgated a contract policy.

- In 1975, General Secretary Le Duan announced that "our country is now free of enemy troops." Four years later, expansionist [Chinese] troops invaded our country and massacred people in six northern provinces.

- In 1982, the policy of the Hanoi Municipal CPV Committee was, "Resolutely eliminate black markets in grain." But a short time later, this policy, which had been signed by Secretary Le Van Luong, was abandoned.

- Prior to 1979, China was viewed as a fraternal country whose relationship with Vietnam was as close as "lips and teeth." After the border war, the constitution of the Socialist Republic of Vietnam stated: "After 30 years of war for liberation, our people longed for peace so that they could build their fatherland. But they have had to resist the Chinese hegemonists and their lackeys in Cambodia. Manifesting the glorious traditions of the nation, our soldiers and people have won glorious victories in the wars to defend the fatherland against the Cambodian reactionaries along our south-western border and against the Chinese hegemonists along our northern border...."

During the same period, Hoang Van Hoan, a member of the Politburo, was sentenced to death in absentia for betraying his country. Recently (May 1990), there have been official reports that the state has given generous assistance to the family of Hoang Van Hoan to enable his family to visit him in China. And the means of information are now putting out many articles about friendship with a country that was just recently regarded as an everlasting enemy.

With such opportunistic policies, how should party members respond to Article 18, Section II? Because even though a person may have very little self-respect, no one

can allow himself to be effaced, with the words of today sully the words of yesterday.

I joined the party because I respected the values of real socialism and of real communism. I joined the party in order to fight for the independence, prosperity, and happiness of my people. As a reasonable person, I have to think when the lofty targets of the revolution are turned into means by which a few people can gain power while the great majority of the people must live in poverty. Socialism is not a religion or the creation of Marx and Lenin alone. Socialism has long been the dream of mankind. In the year 140 B.C., the emperor Wu Ti conducted this experiment. A century later, Wang Mang tried the same thing. And a thousand years later, Wang An Shi tried this for a third time on a broad scale. These experiments all achieved initial successes but later failed. In the West, Jean Jacques Rousseau, Saint Simon, and others practiced the lessons on socialism. The Paris Commune was a brilliant but bloody exercise in history. The past 70 years in the Soviet Union have once again shown that mankind must pay a price in its search for the ideal society. At this time, the senior leading cadres in the Vietnam Communist Party recognize that there is still no official model of socialism. Chinese Premier Li Peng has said that "we are on the socialist path, meaning that we are searching for this. In the development of socialism, there is no perfect model." (ZA RUBEJOM (Abroad), No. 4, 1990) Putting the entire nation on a path (actually there is no path) of inquiry and then forcing party members and other people to have absolute faith and not allowing them to think or express their views is an unscientific and immodest attitude. Such a response is not the response of a party organization that is for the people and by the people. In today's social environment, I have to think. I cannot close my eyes like a blind person or keep my mouth shut and steal and plunder like a thief. Because there are limits to people's patience. The people suffered a lot during the many years of war, and now they are suffering even more, because material living conditions are bad and spiritual conditions have deteriorated. This is because the country is declining, the storehouses are empty, and corrupt people throughout the country steal money. There have been countless cases of corruption involving billions of dollars-rubles, such as the case involving the ship "tat so," the IMEXCO fire, the Storehouse 5 fire, the XIVAGICO case, the Binh Hot case, the Storehouse 2 fire, the cases involving the records of the Thanh Huong and Dai Thanh credit banks, and, most recently, the case of collective corruption involving the National Storehouse Department.

The 20 million Vietnamese who sacrificed their lives did not do so in order to have a country like this. Close friends of mine were killed outside Quang Tri City and on the B5 battlefield. Many people my age were killed in the war against the United States. They did not sacrifice their youth and happiness to obtain dong and dollars for corrupt individuals. For me, the souls of the dead are not quiet. This is what motivates me to think and act.

As for individual qualities, I know that my greatest shortcomings are impatience, a hot temper, and a lack of self-control. But I am honest, and I detest lies and false morals. I have never stolen anything from anyone. I have never stolen anything from the state or harmed anyone in order to gain wealth and position. I have always worked hard and been highly productive. In my life, there have been two times when I have gained a proper place for myself. In 1968 on the battlefield against America and in 1979 on the battlefield in the north. As for my personal life, as you already know, I am a very austere person. Every action and thought is directed toward true socialism. My ideals are, have been, and always will be the true values of true socialism, humanistic socialism. This has been the dream of mankind since the time of Wu Ti.

For these reasons, there is no reason for me to conduct a review. In these pages, I have addressed the points requested by the committee.

Another thing is that the reason why I recently expressed my views openly is that I have confidence in the statements made by the CPV Central Committee.

The resolution of the Sixth Session of the CPV Central Committee, page 42, line 11, clearly states that "in the ideological sphere, [we must] implement the people's right to receive information, expand information, have two-way information, and allow people to express their ideas frankly." On page 49, line 12, it states: "[We must] continue to expand democracy and openness in party activities, in the activities of the state organizations, mass organizations, and social organizations, and in scientific, mass information, cultural, and arts and letters activities. *This must be regarded as the basic guideline for ideological activities.* We must encourage ideological freedom and frank discussions and debate and block and criticize manifestations of using open democracy to distort the truth and disrupt and destroy renovation."

It is because I believe in the Sixth Resolution and have confidence in the self-perfecting policies of the party that I have openly and frankly expressed my ideas.

The result is that I now realize that I have committed the great crime often committed by honest people, the crime of naivety and gullibility.

Thank you.

Sincerely, Signed: Duong Thu Huong

Footnotes

1. In a video taped interview with reporter Huynh Ba Thanh (CONG AN NHAN DAN THANH PHO HO CHI MINH), she said that she wanted to express her views to members of the Politburo of the Central Committee. Mr. Phan Dac Lu had in his possession an article recording the ideas expressed by Duong Thu Huong. At the end of 1989, Mr. Lu was jailed for three months. (see DOAN KET Apr 90)

2. Ibid.

3. Complete text published in DOAN KET, May 90.

4. At the club of the Federation of Scientific and Technical Associations. About 600-1,000 people attended the lecture (according to two different witnesses). Half did not have seats and had to stand outside the hall. Following that, the Ho Chi Minh City CPV Committee blamed the club leadership committee and "asked" Duong Thu Huong to return to Hanoi.

5. The original French text is different: "Nous ne sommes rien, soyons tout" (We are nothing or everything).

6. Demian Debny, the pen name of Efim Pridvorov (1883-1945), who wrote satirical poems, became famous before the Russian Revolution. He was a priority target of the Czarist Board of Censors but was greatly admired by the Soviet masses.

7. Resolution on the International Situation of the 9th Plenum of the Central Committee of the Vietnam Lao Dong Party (third term), which met in December 1963: "Oppose revisionism and rightist opportunism, the principal threats to the communist movement and international workers." This opened the second "Maoist" period of the Vietnam communist party (the first began in 1950 and lasted until 1956). This second period ended when Mao began promoting the Great Proletarian Cultural Revolution. After this plenum, those who were resolutely opposed to Mao such as Ung Van Khiem, Le Liem, and Bui Cong Trung, were purged. A few years later, it was the turn of Hoang Minh Chinh.

8. The son of Vu Dinh Huynh, the head of the Protocol Department in the Ministry of Foreign Affairs during the time of Ung Van Khiem. He was arrested in 1965 or 1966. He is the author of "Mien Tho Au", which was published by the Ho Chi Minh City Arts and Letters Publishing House in 1988.

9. He was arrested around 1984 and was suspected of having smuggled a book of poetry of Hoang Cam out of the country. He is the author of "Nguia Bien," a collection of poems published in Ho Chi Minh City in 1988.

ECONOMIC

Thai Businessman Comments on Rice Export Potential

Export Targets, Information Exchange With Thailand

912E0113A Bangkok BAN MUANG in Thai 6 Jan 91
p 7

[Text] Mr. Nippon Wongtrangam, the president of the Thai Rice Milling Association, talked about rice production and marketing in Vietnam. He visited Vietnam during the period 25-30 December 1990. He said that

this year, Vietnam has 35.5 million rai of land in the south cultivated in rice. It is expected that the 1990/1991 yield will be about 17.87 million tons of paddy, which is 8.36 percent less than last year. This is because of the natural disasters that have occurred in northern and central Vietnam. In the Mekong Delta area in southern Vietnam, yields have been good. But certain areas have experienced flooding and intermittent rains. And there have been problems with harmful insects.

As for the trade system, Vietnam's domestic trade system is becoming freer. Farmers can sell their surplus rice. There is a system of rice merchants and mills, which includes the public and private sectors. In exporting rice in 1991, a quota system will be used. It is expected that approximately 1.04 million tons of rice will be exported, which is a decrease of 38.8 percent as compared with last year, when 1.7 million tons was exported. Except for this, the Vietnamese government has not changed the trade system. Only after enough has been produced to meet domestic needs are products exported to world markets. Thus, Vietnamese exports pose little threat to Thai exports.

Besides this, Vietnam welcomes the exchange of production data and technology as proposed by the Thai Rice Milling Association. The association will submit this to officials such as commerce and foreign affairs officials for approval in principle.

Mr. Nippon said that because yields in Vietnam have declined, Vietnam has had to reserve a quantity of its rice for domestic use.

Export Policy Noted

912E0113B Bangkok DAO SIAM in Thai 4 Jan 91 p 3

[Excerpts] Mr. Nippon Wongtrangam, the president of the Thai Rice Milling Association, discussed his trip to Vietnam during the period 25-30 December 1990. During his trip, he observed the rice production and marketing situation there. [passage omitted]

"After visiting important production areas and obtaining data from officials there, I do not think that Vietnam poses any threat to Thailand as a competitor. Actually, there are two reasons why they sold rice at a low price last year. One reason was that that was old rice of poor quality. They also had transportation problems, and so they had to reduce the price for buyers, who had to waste time on this. Moreover, it is Vietnam's policy to produce enough rice to satisfy domestic needs before exporting rice abroad. In 1991, because they have suffered losses, there are fears that there won't be enough rice for domestic consumption. Thus, they have to set export targets every 3 months. We can easily make adjustments if the situation changes. With respect to good quality rice, Vietnam is not a competitor of ours, and they probably won't be a competitor for a long time yet. They pose a threat only with respect to low-quality rice," said Mr. Nippon.

On Managing Import-Export Permits

912E0118A Hanoi NHAN DAN in Vietnamese
27 Dec 90 pp 1, 4

[Article by Lai Hop Viet of the Supreme People's Organ of Control]

[Text] After inspecting a number of sectors and localities, from 1989 to the second quarter of 1990, the (former) Ministry of Foreign Economics gave more than 500 units the right to engage in import-export activities directly on a regular or limited basis or one time. The units issued import-export permits were concentrated in the following sectors: commerce, 40 units; agriculture and the food products industry, 17 units; and communications, transportation, and posts, 15 units.

Many units (19) in Dong Thap were issued permits. In other provinces and cities, 10-13 units were issued permits. Expanding import-export rights has created import-export potential for the sectors and localities. But this has also gave rise to many problems in controlling import-export activities that must be solved.

The thing to note is that in giving quotas and authorizing sectors and localities to engage in import-export activities, there were many cases in which this was not done based on the production installations, sources of capital, or import-export capabilities, and this did not stimulate domestic production. Many units lacked capital and goods, and they did not have specialized commercial organizations. But using every means possible, they requested the right to engage directly in import-export activities in order to facilitate obtaining quotas and import-export permits. According to calculations of the Ministry of Heavy Industry, besides the amount to support domestic production, only 400-500,000 tons of scrap iron a year could be exported. But the quotas and permits issued in 1989 permitted the export of up to 1,500 tons of scrap iron. In 1989, the amount of rice actually exported was less than 1.5 million tons, but the rice export quotas issued were for more than 2 million tons. As for timber, export permits were issued for 1,490,880 cubic meters of logs and timber and 2,007,996 cubic meters of other wood. But in reality, only about half of that was exported. Ho Chi Minh City issued export permits for 632,000 cubic meters of various types of timber, but only 300 cubic meters was exported. Quang Nam-Danang issued quotas for the export of 100,000 tons of rice, but only 20 tons were exported.

The above situation has created loopholes for many units and individuals. With the right to import and export directly and with export quotas, they have been able to sell quotas and permits. The sale of export quotas and permits is concentrated in Haiphong, Quang Nam-Danang, Ho Chi Minh City, and Ben Tre. I would like to cite a few examples.

Inspections conducted in Haiphong showed that 15 quotas had been sold, which included the export of 100,000 tons of iron and the import of 10 automobiles and 1,500 motorcycles.

Quota No. 732/KTDN of 8 March 1989, which was issued to the Quang Nam-Danang assault youth organization, was sold to a services advisory corporation of the (former) Ministry of Foreign Economics for a commission of one automobile and \$6,000.

The Binh Dinh provincial Federation of Import-Export Corporations was issued a quota for the export of 10,000 tons of scrap iron but sold the quota for \$100,000.

The Ben Tre provincial Integrated Import-Export Corporation was issued a quota for the export of 7,500 tons of scrap iron but sold the quota to Tay Ninh for \$189,000.

Rough calculations for 31 quotas that were sold show that the units that sold their quotas earned an illegal profit of up to \$699,000, or more than 1 billion dong.

Issuing quotas and permits to import various types of goods and sell them retail to earn foreign currency and generate capital for units has been and still is a loophole in issuing and using quotas and controlling and using foreign currency. Many localities and units have done everything possible, including using negative methods, to obtain quotas and permits. And after they obtain them, they use them in a very arbitrary manner. They sell their quotas and permits and import types of goods that can earn a high profit without giving any attention to domestic production and consumption needs.

The looseness in issuing and using import-export permits has had serious consequences. This has contributed to disrupting market management and had a bad influence on domestic production. Import-export tariffs have been lost, and many cadres concerned with this work have been corrupted.

In order to implement Council of Ministers Decision 240, it is essential that control over issuing and using import-export quotas and permits be reorganized and that those units and individuals that commit violations be dealt with harshly and promptly.

Article Discusses Labor Export Issues

912E0114A Ho Chi Minh City SAIGON GIAI PHONG
in Vietnamese 5 Dec 90 p 2

[Article by Van Lung]

[Excerpts] We have been involved in international labor cooperation for more than 10 years now. That is, a number of laborers have been sent to work abroad temporarily. This concept will fundamentally change our work themes.

Because of this, the immediate target is to achieve economic results through the labor capabilities of the

people selected to go work abroad. This must not be based on sending people because of social policy, with a structure in which 40-60 percent of the laborers are unskilled, do not understand a foreign language, and do not have capital to contribute before leaving. The state must spend a certain amount of capital on training and implementing insurance policies for laborers who are working abroad and when they complete their contract and return home.

Here, we will not discuss the things that have been done during the past 10 years in the sphere of international labor cooperation. The thing to note is that a million laborers lack work, and many factories and enterprises are laying off more and more laborers. Even in the rural areas, the need to create jobs is becoming more and more urgent. How can this problem be solved? [passage omitted]

Data on the export of laborers to a number of Asian and Pacific countries show that the countries that participate in this usually given attention to the following: the special characteristics of the laborers (sex, age, profession), method of recruitment, recruitment expenses, searches for markets needing laborers, the incomes of laborers abroad, methods of remitting foreign currency home, labor management abroad, rear service activities for laborers working abroad, and insurance expenses for the laborers and their families when they return home.

Thus, we can see more clearly our shortcomings in this sphere. This is a necessity that has led to the present situation for both those who have completed their work or who for some reason have returned home and for those who are still living abroad. A widespread phenomenon is that there is no work for these people when they return home. [passage omitted]

We have intentionally cited many figures and new ideas in the process of using the country's rather large number of laborers. Furthermore, in past years, the socialist system has provided them with good cultural standards and skills superior to many others in Southeast Asia. We have not satisfactorily exploited our country's most valuable resource, our intelligent domestic labor force.

I have been trying to understand labor markets for more than a decade now, but I still don't fully understand this. But after listening to people's ideas, I am convinced of the importance of these markets now that it is agreed that sending people to work abroad is something that must be expanded and that this is an element of the foreign economy that will have a direct and rapid effect on renovating the country's economy.

During the years 1987-1989, we sent almost 184,000 people to work abroad (an average of more than 600,000 people a year [as published]). That is not a very large number of people. If we strive to find new markets, sign well-written contracts, and recruit excellent managers and highly skilled laborers (who are excellent in a field and skilled in many jobs) in order to reach the average level of income of a number of Asian countries, Vietnam

will earn approximately \$350-450 million in foreign currency each year (which is the equivalent of more than 2 million tons of export rice). That will certainly create a new balance in the country's balance of payments.

The problem that needs to be discussed here is the matter of vigorously renovating thinking, changing work methods, and renovating management organization so that people view the export of laborers as an economic target and then finding the most effective ways to quickly increase the number of laborers working abroad, including having labor contracts with private corporations.

The contents that must be given attention include: looking for markets, recruiting workers who have vocational skills and managerial standards in order to contract projects of economic organizations that need workers, reduce the number of selection procedures, transfer selection rights, and organize formations for primary level units so that they can implement economic accounting with respect to each labor contract. Also, the economic relationship between individual laborers and the management organizations and state must be clarified. The management functions of the state and the economic management functions of the units participating in labor must be specified. Only through a rational distribution of the fruits of the labor to each target mentioned above will it be possible to create a motive force to stabilize these activities and increase economic and social results. The state must implement stimulative policies on interest rates on deposits in foreign commerce banks and rational exchange rates and organize services to sell goods to laborers so that they will remit foreign currency home.

Our new understanding concerning labor cooperation with other countries has helped us see that increasing information, searching for markets, and varying the formulas in order to expand labor cooperation are pressing requirements. These are great capabilities that will help us to soon overcome the difficulties in creating jobs domestically and bring in a notable amount of foreign currency to balance the country's finances in coming years.

Thanh Hoa Dealing With Pre-Harvest Difficulties

912E0121A Hanoi NHAN DAN in Vietnamese
31 Dec 90 pp 1, 4

[Article by The Nghia]

[Text] Rice "fever" in Thanh Hoa, which had been changing slowing last month, suddenly shot up in December. In the key rice districts, 18-20 percent of the peasant households are in dire straits. The lives of the workers, cadres, retirees, and artisan industry laborers are quite difficult. Investigations in a number of districts and villages have shown that the amount of reserve paddy among the people is uneven. In some villages, 15-20 percent of the households have 1.5-2 tons of reserve paddy. About 40-50 percent of the households

have enough to eat from the catch crop overlapping the preceding and the following crop. Some families with plenty of paddy are purchasing rice from poor families at a price of 45-50,000 dong in order to receive 100 kg of paddy during the fight-month and spring rice harvest. That is just half the current price of paddy. Many families think that paddy and rice prices will rise and so they are hoarding paddy and rice.

Rice yields declined during the past tenth-month season, but they did not decline very much. The average yield was approximately 24-25 quintals per hectare, and the total grain yield for the tenth-month season exceeded 390,000 tons—the average is almost 130 kg per person per season. The winter season in Thanh Hoa encountered difficulties, because the rains continued until the end of November. Much of the winter season area had to be abandoned. The province did not fulfill the plan for planting various types of vegetables and subsidiary food crops, particularly subsidiary grain crops. At the same time, almost 20,000 people who live in coastal areas and who make handicrafts for export had their contracts with other countries broken, production came to a standstill, goods piled up, and losses totaled tens of billions of dong. Everyone has to depend on local sources of grain. The price of materials and food has skyrocketed in line with the increased price of grain.

Facing this situation, Thanh Hoa has promptly implemented measures to curtail the pre-harvest lean period and food shortages following Tet. The province has encouraged the peasant households to reserve paddy and subsidiary food crops and sell them to the state at a mutually agreeable price. It has used the province's capital and borrowed money from the central echelon to purchase 30,000 tons of grain from in and outside the province. With the reserve grain of the province and the grain recently mobilized during the tenth-month season, the province will expand the sales network to the peasants. First of all, it will sell an average of 10 kg per person at commercial prices to peasants in the specialized industrial crop areas, artisan industry laborers, and people on the state payroll. The grain sector will establish retail sales points in heavily populated areas. People traveling though Thanh Hoa will be allowed to buy up to 10 kg of grain one time. People with means of transportation will be encouraged to transport grain to the hamlets and villages in the province and sell grain to the people. Grain and commodity circulation from the mountains and midlands to the coast and lowlands is normal. No one has the right to "forbid marketing."

Thanh Hoa is preparing to harvest the winter crop and is organizing things to process subsidiary grain crops for people and livestock. The experiences in Vinh Loc District have shown that even if the two rice crops in the year provide good yields, the peasants still won't abandon the winter crop. This year, Vinh Loc has planted 3,000 hectares in corn and potatoes in sandy soil, an increase of 200 hectares as compared with last year. The corn and potato crops are growing very well and will be harvest next month. It is predicted that Vinh

Loc will harvest 3,000 tons of winter-season subsidiary food crops converted to paddy equivalent. This district made grain estimates in the face of the difficult situation so that it could deal with the pre-harvest lean period. After the tenth-month rice crop was harvested, the peasant branch associations monitored the families of association members with respect to receipts and expenditures using the lists of the households that are short of cash. From this, the branch associations gave concrete guidance in planting the winter crop and encouraged them to reduce expenditures and the purchase of unnecessary items in order to save grain and prepare for the pre-harvest lean period. Thus, at the markets in this district, the price of grain is not high, and buying grain is easier here than in other places.

Along with preventing problems during the pre-harvest lean period, Thanh Hoa is concentrating on sowing and transplanting the fifth-month and spring rice crop in order to keep things on schedule. The province has sent more than 4,000 tons of urea to the production installations and sold it to peasants who are growing rice and subsidiary food crops. It is trying to provide another 4,000 tons of nitrogen for production. The weather is favorable, the seedlings are growing quite well, there are few harmful insects or diseases, and the transplanting of

the fifth-month rice is proceeding quite rapidly. The province is striving to sow and transplant 70 percent of the fifth-month and spring rice area before Tet.

Thanh Hoa is gradually overcoming its economic difficulties in order to have a bountiful fifth-month and spring harvest, including industrial crops, vegetables, and other subsidiary food crops.

Over 354,000 Workers Laid Off in 1990

91P30102

[Editorial Report] The Ho Chi Minh City daily SAIGON GIAI PHONG reported on 28 Dec 90 that, as a result of the Council of Ministers' Decision 176, by late November 1990, more than 354,000 workers have been laid off with severance pay because they were no longer needed at 7,282 workplaces nationwide. In addition, nearly 100,000 workers were pressed into retirement or were dismissed for medical reasons. Other statistics from the Ministry of Labor, War Invalids, and Social Welfare show that 70 percent of the laid-off workers have found new jobs, 20 percent are working, but not steadily, and the remaining 10 percent are having great difficulty finding work.

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